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U.S. JEFERT MENT OF ABRICULTURE

# UNITED STATES DEPARTMENT OF AGRICULTURE PRODUCTION AND MARKETING ADMINISTRATION DAIRY BRANCH

INSERTS

FOR

SUMMARIES

of

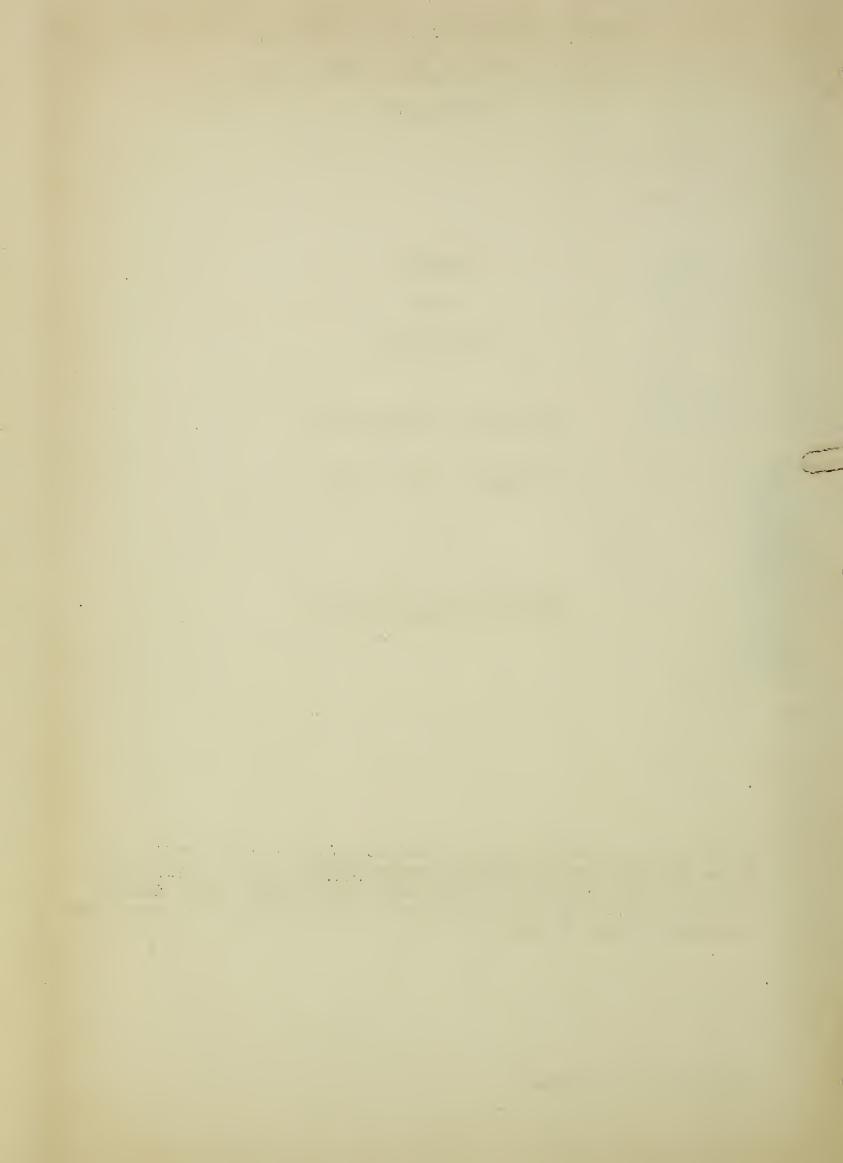
FLUID MILK HARKETING CRDERS

Revised to July 1, 1951

and

Fcderal Register Citations for the Milk Price Orders

The attached are inserts to be substituted for the corresponding pages in the <u>Summaries of Fluid Milk Marketing Orders</u>, April 1, 1948, and Federal Register Citations for the milk price orders. These inserts revise the Federal orders as effective on July 1, 1951. The last insert was issued on June 1, 1951



On July 1, 1951, the milk marketing order for Chicago, Illinois (Order No. 41) and the order for Suburban Chicago, Illinois (Order No. 69) were combined. Order No. 69 has been deleted. Pages 92-95, inclusive, now contain the summary of the Muskogee, Oklahoma, milk marketing order (Order No. 29).

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#### FEDERAL MILK ORDER NO. 41

### Chicago, Illinois

### Marketing Area:

All of Cook and DuPage Counties, Illinois, and specified town-ships in Lake, Kane, and Will Counties, Illinois, and in Lake County, Indiana.

# Handler:

Person who (1) operates a pool plant, (2) processes or packages any Class I product, or any Class II product required by health authorities to come from local sources, disposed of in the marketing area, or (3) acts as a broker to buy milk in bulk from those specified in (1) or (2).

# Pool Plant:

Plant which receives milk from dairy farmers and which (1) has Class I sales in the marketing area, (2) is approved by the Chicago Board of Health and ships or offers to ship specified percentages of milk received during September, October, and November, or (3) is not approved by the Chicago Board of Health but ships specified percentages of receipts during September, October, and November to plants specified under (1) above.

# Producer:

Person who produces milk which is received at a pool plant or diverted from such plant by a handler.

# Classification:

Class I - Fluid milk, skim milk, buttermilk, flavored milk, or flavored milk drinks; fluid or frozen concentrated, but unsterilized, milk, flavored milk, or flavored milk drinks; (both classes of products referring to disposal through routes, stores, or vendors) and unaccounted-for milk. If any of these products are disposed of in bulk to bakeries, soup companies, and candy manufacturers, they are classified in Class III.

Class II - Cream (sweet or sour), fluid cream products (more than 6.0 per cent butterfat), butter cream, filled cream, frozen cream, plastic cream, powdered cream, eggnog, yogurt, ice cream, ice cream mix (liquid or powder), cottage cheese, and any other milk product similar to any of those named. Fluid cream, fluid cream products, powdered cream, filled cream, and cottage cheese

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disposed of in bulk to bakeries, soup companies, and candy manufacturers are classified in Class III. Frozen cream, plastic cream, and ice cream and ice cream mix (liquid or powder) derived from Grade B milk is classified in Class IV.

Class III - Condensed milk or skim milk (sweetened or unsweetened) disposed of to commercial food processors, sweetened condensed milk in hermetically sealed cans, evaporated milk, whole milk powder, and nonfat dry milk solids (these specified products being designated as Class III(a) milk), milk products not in other classes, and products disposed of in bulk to bakeries, soup companies, and candy manufacturers.

Class IV - Butter, cheese (except cottage cheese), loss in transit, and shrinkage (not over 0.5 per cent of direct receipts from producers plus 1.5 per cent of milk, skim milk, and cream received in bulk from all sources which were not disposed of in bulk to another handler.)

# Class Prices (3.5 per cent butterfat):

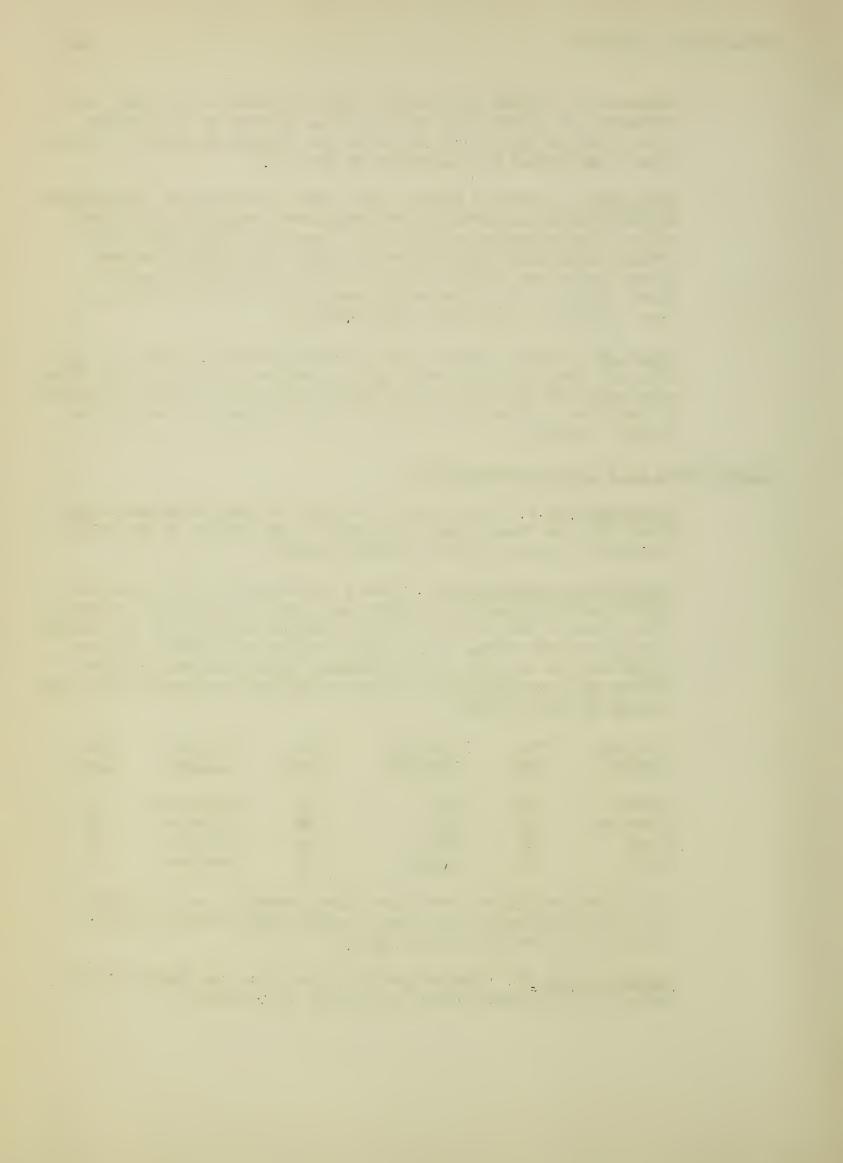
Basic Formula - A "basic formula" price is used for Class I and Class II. The "basic formula" price is the higher of Class III or Class IV price for the preceding month.

Supply-Demand Adjustment - Class I and Class II prices are subject to a "supply-demand" adjustment computed from the percentage which Class I and II sales are of producer receipts in the second through seventh months preceding the delivery period. A price adjustment is made for each percentage point that utilization differs from the following (based on utilization during July 1949 through December 1950):

Delivory Period	Per <u>Cent</u>	Delivery Period	Por Cent	Delivery <u>Poriod</u>	Per Cent
January	76	May	72	September	62
Fobruary	81	June	68	October	64
March	79	July	64	November	67
April	76	August	62	December	71

The adjustment (up or down) for each percentage point difference is 2 cents during May and June, 4 cents July through November, and 3 cents December through April.

Classes I and II - "Basic formula" price plus the fixed differentials and "supply-demand" adjustment as follows:



Grade A -

The state and uses the same and	Class		-	Class II		
		: Supply	z-Demand		: Supply-Demand	
	Fixed	Lj	<u>imits</u>	: Fixed	: Limits	
Month	Differential	Lower	: Upper	2 Differentials	: Lower : Upper	
		1		•	:	
4	(cents per hu	indredwe	eight)	: (cents per hu	ndredweight)	
			:	•	: :	
May-June :	50	<b>5</b> 0	: 66	<b>3</b> 0	: 30 : 46	
July-Nov.	90	60	: 120	<b>5</b> 0	£ 40 £ 80	
DecApr.	70	<b>5</b> 0	: 94	\$ 40	: 30 : 64	
		;		:	:	

Grade B - Above prices less 10 cents.

On Grade A or B moved in bulk outside the designated surplus manufacturing area during September, October, or November the above prices are increased by 70 cents.

Class III - The highest price resulting from the following three formulae (except that evaporated and condensed milk, whole milk powder, and nonfat dry milk solids are priced under "(1)"):

(1) Average of prices for 3.5 per cent milk at the following places:

Borden Company, Borden Company, Borden Company, Borden Company, Borden Company, Carnation Company, Carnation Company, Carnation Company, Carnation Company, Carnation Company, Carnation Company, Pet Milk Company. Pet Milk Company, Pet Milk Company, Pet Milk Company, Pet Milk Company, White House Milk Company, White House Milk Company,

Black Creek, Wisconsin Greenville, Wisconsin Mt. Pleasant, Michigan New London, Wisconsin Orfordville, Wisconsin Berlin, Wisconsin Jefferson, Wisconsin Chilton, Wisconsin Oconomovoc, Wisconsin Richland Center, Wisconsin Sparta, Michigan Belleville, Wisconsin Coopersville, Michigan Hudson, Michigan New Glarus, Wisconsin Wayland, Michigan Manitowoc, Wisconsin West Bend, Wisconsin



- (2) Price per pound of Chicago 92-score butter times 6, plus 2,4 times the price per pound of "Cheddars" at Plymouth, Wisconsin, divided by 7, times 1,3, times 3,5.
- (3) The Class IV price.

Class IV - Price per pound of Chicago 93-score butter (if 93-score butter is not quoted for a day, use highest of prices for 92-score) times 4.24, plus 8.2 times price per pound nonfat dry milk solids (spray process, human consumption, f.o.b. manufacturing plants in the Chicago area), minus 75.2 cents.

# Butterfat Differentials:

Class Prices - None.

<u>Producer Price</u> - Price per pound of Chicago 92-score butter, times 1.2, divided by 10.

### Location Differentials:

Class Prices: The location adjustment credit on milk received from producers at a plant beyond 70 miles from Chicago which is either (a) moved as fluid milk or fluid skim milk to a city bottling plant, or (b) classified as Class I milk without being moved as fluid milk or fluid skim milk (except unaccounted-for milk) is 2 cents for each 15 miles that the plant is located beyond 70 miles but the total adjustment credit cannot exceed 42 cents per hundredweight.

The location adjustment credit on milk received at a plant beyond 70 miles which is (a) moved as fluid cream to a city bottling or ice cream plant, or (b) which is classified as Class II milk without being moved as cream or milk is as follows:

Distance from the approved plant to the City Hall in Chicago (miles)	Cents per hundredweight		
0 to 70	0		
70,1 to 85	5		
85,1 to 115	10		
115,1 to 160	20		
160,1 to 220	30		
220,1 to 250	35		
250,1 to 310	40		
310,1 and over	50		



In addition to these location differentials which directly affect class prices, handlers are obligated to pay 4 cents per hundred-weight on milk received from producers at pool plants located within the marketing area and 2 cents on such milk at pool plants outside the marketing area but not more than 55 miles from City Hall in Chicago.

<u>Producer Price</u> - Deductions are made on milk received at plants at the rate of 2 cents per hundredweight for each 15 miles or fraction thereof that the receiving plant is more than 70 miles from Chicago.

Producers delivering to pool plants located within the marketing area receive a premium of 10 cents per hundredweight (4 cents derived from the handler's obligation on such milk and 6 cents from the pool), and those delivering to plants outside the marketing area but less than 55 miles from City Hall in Chicago, a premium of 2 cents.

# Method of Accounting For Milk:

Class I computed on a volume basis plus the 3.5 per cent milk equivalent of unaccounted-for butterfat. Class II, Class III, and Class IV computed by converting butterfat used in these classes to 3.5 per cent milk equivalent. Class volumes are reconciled with producer receipts by adding to or subtracting from the lowest priced milk.

### Type of Pool:

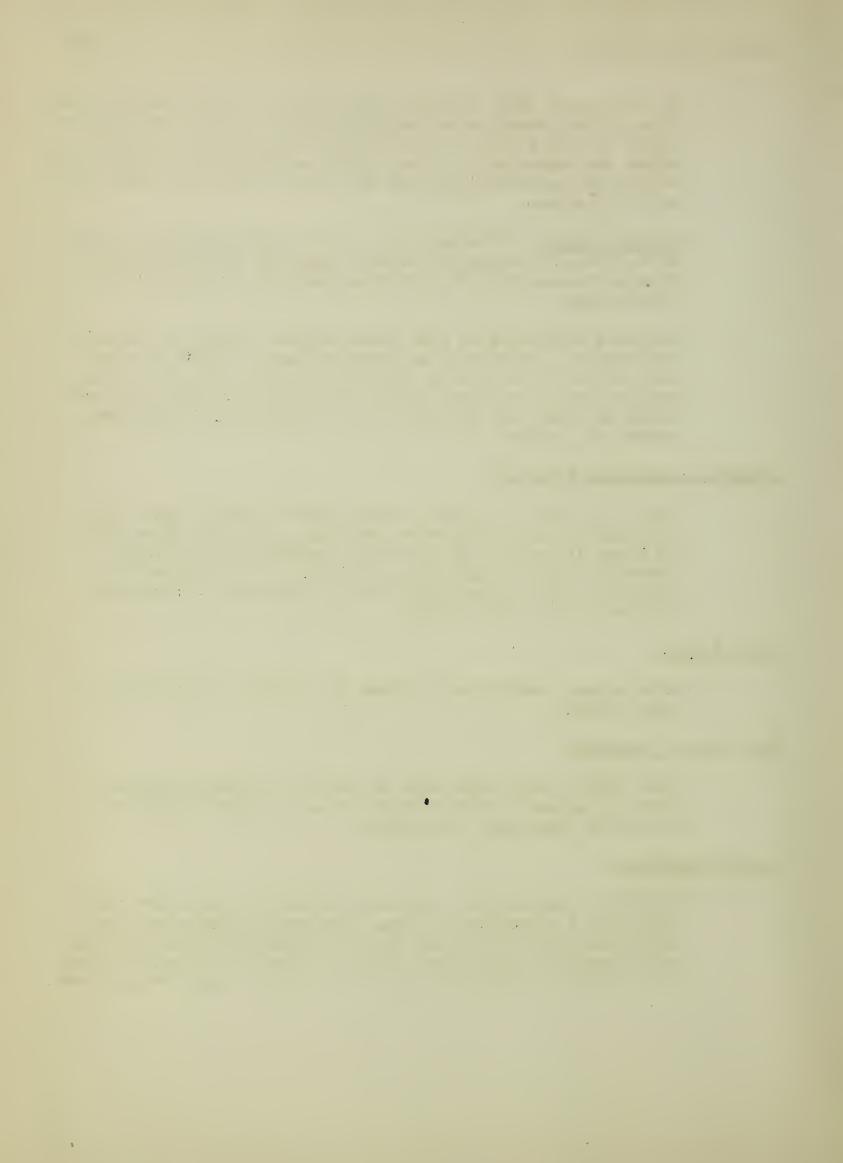
Market-wide, monthly pool without base rating plan or new producer clause.

# Interhandler Transfers:

Fluid milk or fluid skim milk is Class I and fluid cream is Class II, unless a written statement as to other utilization is made by both buyer and seller.

# Outside Purchases:

Deducted in series from each class beginning with lowest priced milk which the handler utilizes. Handler pays into pool the difference between the price for the class from which such milk was deducted and the lowest announced price for the month unless he can prove that use of milk did not violate health regulations.



#### Outside Sales:

Milk moved as fluid milk to a plant subject to another Federal milk marketing order is Class I. If moved as fluid cream to such a plant it is Class II. If proof is furnished that such classification exceeds the total utilization in such classes of the receiving plant, the excess shall be classified in accordance with actual utilization.

Wilk moved as fluid milk or fluid cream to an unapproved plant within an area defined as the "surplus manufacturing area," which plant manufactured butter, cheese (except cottage cheese), evaporated milk, condensed milk, or skin milk, whole milk powder, nonfat dry milk solids, casein, or ice cream powder, shall be classified in accordance with utilization.

If the unapproved plant receipts from an approved plant are commingled with its other receipts, receipts of approved fluid milk shall be allocated, according to daily records, to available quantities of Classes III, III-A, IV, II, and I in that sequence; and receipts of approved fluid cream shall be allocated in a similar manner to Classes IV, III, III-A, II, and I in that sequence. If the unapproved plant does not make available to the market administrator adequate utilization records on a daily basis but does make available monthly utilization records, fluid milk received from an approved plant shall be allocated to Classes I, II, III-A, and IV in that sequence; and fluid cream from an unapproved plant shall be allocated in a similar manner to available quantities of Classes II, III, III-A, IV, and I in that sequence.

Milk moved as fluid nilk to a plant outside the "surplus manufacturing area" is classified as Class I. If moved as fluid cream it is classified as Class II.

The "surplus manufacturing area" comprises the State of Wisconsin and specified counties in Illinois, Indiana, Michigan, and Ohio.

Milk sold outside the marketing area is priced the same as milk sold in the marketing area.

# Producer-handlers:

Handlers who distribute only milk of their own production are exempt from regulatory provisions. Reports may be required by the market administrator.

# Expense of Administration:

Handlers pay administrative cost not to exceed 2 cents per hundredweight on producer milk and on "other source" milk allocated to Classes I and II.

# Special Producer Provisions:

Marketing service deductions, as authorized by members, are turned over to the cooperative associations. A marketing service charge not to exceed 3 cents is deducted for non-members.



# South Bend-LaPorte, Indiana

# Marketing Area:

South Bend, Mishawaka, LaPorte, and Michigan City, Indiana.

# Handler:

A person who operates an approved plant, i.e., a milk plant approved by appropriate health authorities of the marketing area, and from which a route is operated wholly or partially within the marketing area. A cooperative association is also a handler with respect to milk caused by it to be delivered to an approved plant or customarily received at such plant but which is diverted to a non-approved plant for the account of the association.

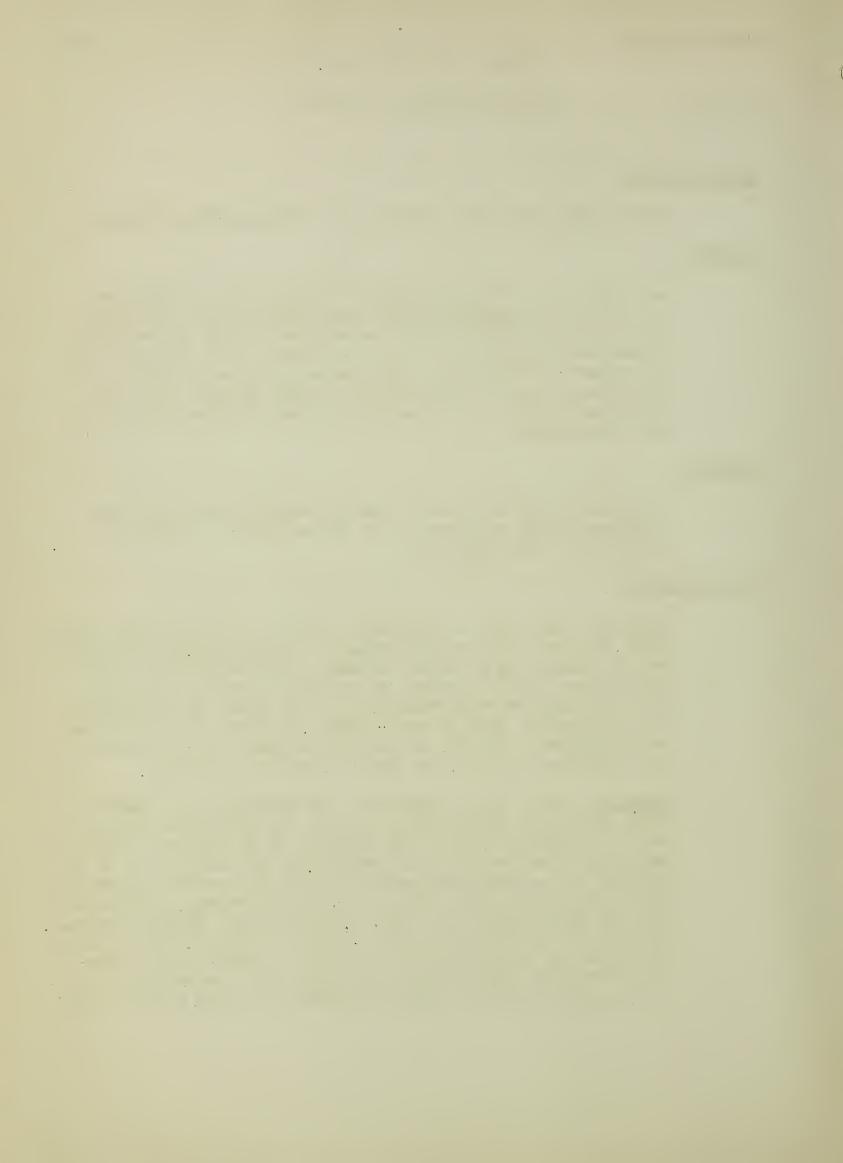
### Producer:

A person who produces milk which is received at an approved plant and which is approved for use as Class I or Class II milk in the marketing area.

# Classification:

Class I - Skim milk and butterfat disposed of (1) as milk, skim milk, flavored milk or milk drinks, and buttermilk (except for use as candy, soup, bakery products, or livestock feed), (2) as fluid cream (sweet or sour) or any cream mixtures containing more than 6.0 per cent butterfat, (3) in fluid or frozen form as concentrated milk, flavored milk, and flavored milk drinks not sterilized, and (4) all milk not accounted for as Class II and shrinkage over 2.0 per cent of producer receipts.

Class II - Skim milk or butterfat (1) disposed of in bulk as milk, skim milk, buttermilk, or cream for manufacture of candy, soup, or bakery products, (2) disposed of as condensed milk or skim milk to commercial food processors, (3) disposed of as or used to produce sweetened condensed milk in hermetically sealed cans, evaporated milk, cottage choese, ice cream, ice cream mix, other frozen desserts and mixes, storage cream, butter, cheese, and nonfat dry milk solids, (4) dumped or disposed of for livestock feed as skim milk, flavored milk, flavored milk drinks, and buttermilk, (5) in actual shrinkage of producer milk up to 2 per cent, and (6) in actual shrinkage of "other source" milk.



# Class Prices (3,5 per cent butterfat):

"Basic Formula" Price - The "basic formula" price per hundredweight is the highest of the prices determined pursuant to (a), (b), or (c) below for the preceding delivery period.

- (a) Price paid for 3.5 per cent milk at 18 specified plants (see list under Chicago order).
- (b) 92-score butter at Chicago, multiplied by 6,

  PLUS

  price per pound of "Cheddars" at Plymouth, Wisconsin, times
  2.4 Divide the above sum by 7, multiply by 1.3, and multiply by 3.5.
- (c) Carlot price per pound nonfat dry milk solids (spray process, human consumption, f.o.b. manufacturing plants in the Chicago area) multiplied by 8.2 and subtract 64.2 cents PLUS price per pound of 93-score butter at Chicago multiplied by 4.24 and deduct 11 cents. (If no price is quoted for 93-score butter, the highest prices quoted for 92-score butter are used.)

<u>Supply-Demand Adjustment</u> - The adjustment is computed from sales and receipts in the Chicago market. (See Chicago summary for details.)

Class I - A computed price for 3.5 per cent milk less a butterfat price, yields a skim milk value as follows:

(1) Whole milk - "Basic formula" price plus fixed differentials and plus "supply-demand" adjustment as follows:

		Fixed	Supply-Demand Limit		
Month		_ Differential :	Upper _	.;_	_ Lower
	:	(cents)	(cents)	•	(conts)
	:			:	
May-June	8	60	60	:	76
July-Nov.	2	100	70	:	130
DecApr.	:	80	60	:	104
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- (2) Butterfat value Price per pound of butterfat computed under (c) of "basic formula"; add any amount per hundred-weight that (a) or (b) exceed (c); divide this sum by 0.035; add \$8.25 for May and June, \$13.75 July through November, and \$11.00 December through April; and add or subtract the amount of the supply-demand adjustment divided by 0.035. The result is the price per hundred pounds of butterfat in Class I milk.
- (3) Skim milk value Subtract from the whole milk value ("(1)" above) the butterfat value ("(2)" above) times 0,035 and divide the remainder by 0,965.

Class II - A computed price for 3.5 per cent milk less a butterfat value, yields a skim milk value as follows:

(1) Whole milk - Prices paid for 3.5 per cent milk during the delivery period at:

Goshen Milk Condensing Co., Goshen, Indiana Litchfield Creamery Co., Warsaw, Indiana New Paris Creamery Co., New Paris, Indiana

- (2) Butterfat value Price per pound of 92-score butter at Chicago x 0.12, round to nearest tenth of a cent, multiply by 1000.
- (3) Skim milk value Subtract from the whole milk value ("(1)" above) the butterfat value ("(2)" above) times 0.035 and divide the remainder by 0.965.

# Butterfat Differentials:

Class Price - None. Butterfat and skim milk priced separately.

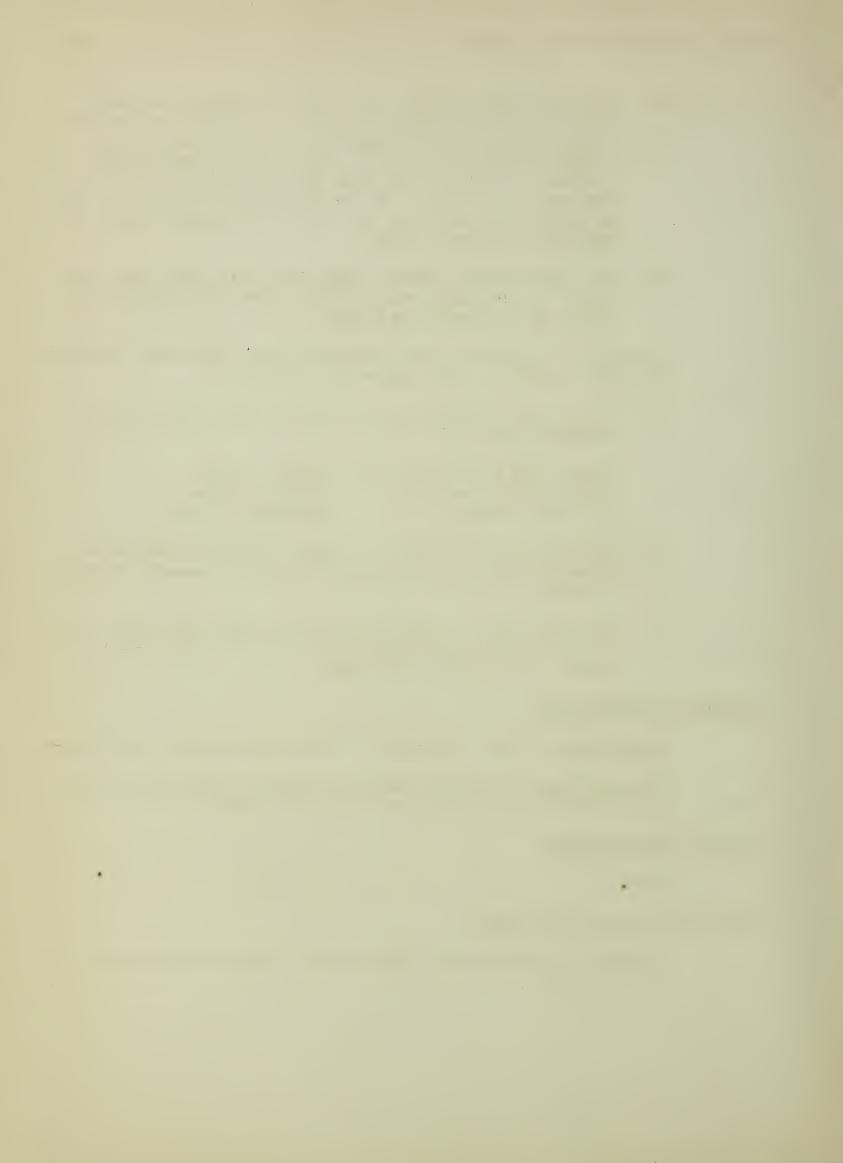
<u>Producer Price</u> - 92-score butter at Chicago multiplied by 0.12 and rounded to the nearest one-tenth of a cent,

# Location Differentials:

None.

# Method of Accounting for Milk:

Weights of butterfat and skim milk are computed separately in each class.



# Type of Pool;

Market-wide, monthly pool without base rating plan or new producer clause.

#### Interhandler Transfers:

Milk, cream, and fluid or frozen concentrated milk transferred to another handler are classified as Class I, except that Class II may apply if mutually agreed to by the transferring handler and the transferee (except a producer-handler) provided that notification is given to the market administrator and that the quantity so classified be limited to Class II remaining at the transferee's plant after deduction of "other source" milk.

### Outside Purchases:

"Other source" milk, except as described under "Outside Sales," is deducted in series from the lowest price class.

### Outside Sales:

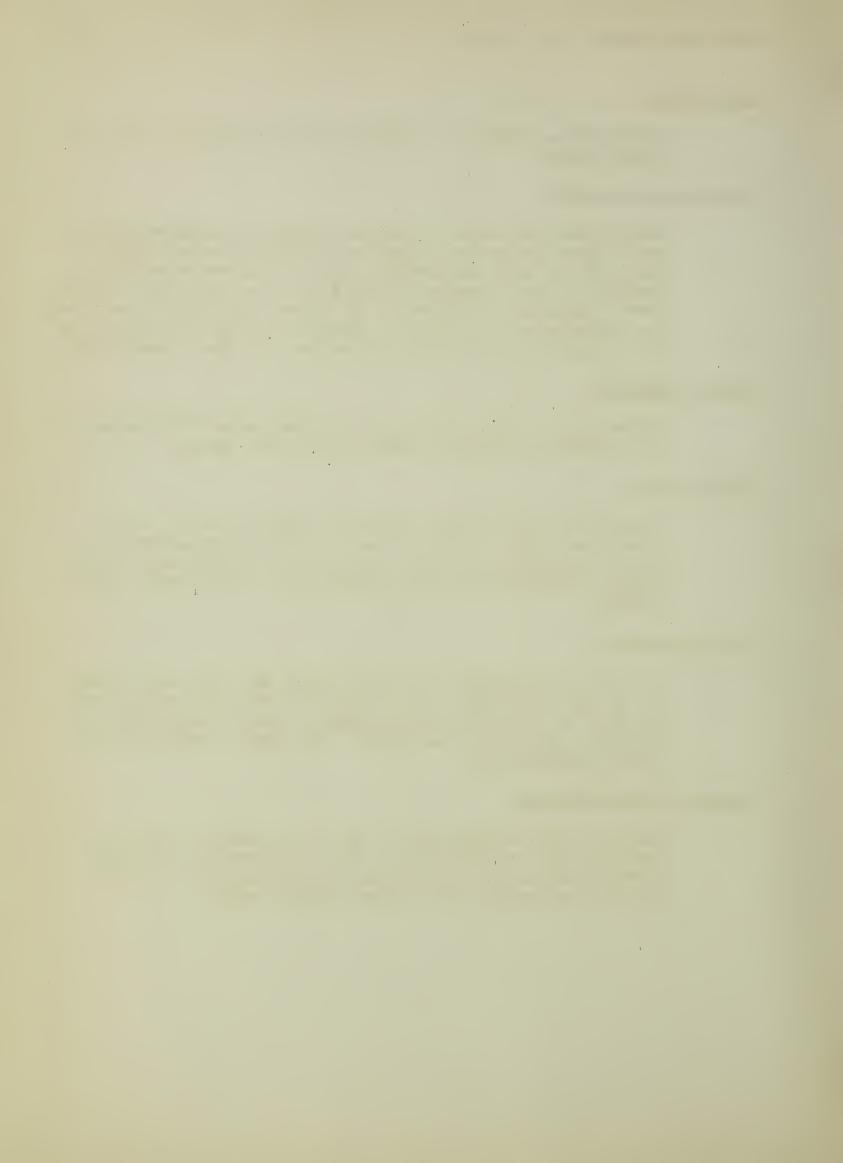
Priced the same as sales within the marketing area. Milk, cream, and fluid or frozen concentrated milk transferred to an unapproved plant are Class I unless the receiving handler proves Class II utilization to the satisfaction of the market administrator.

# Producer-handlers

A person who operates an approved plant but whose sole source of supply of skim milk and butterfat is from his own production and from an approved plant, is exempt from the regulatory provisions. Reports may be required from such a handler by the market administrator.

# Expense of Administration:

Handlers pay administrative costs not to exceed 4 cents per hundredweight on milk received from producers and on "other source" milk except "other source" milk subject to administrative assessment under another Federal order.



### Special Producer Provisions:

Deductions, as authorized by members, are turned over by handlers to cooperative associations. A marketing service charge not to exceed 4 cents per hundredweight is deducted for non-members.

Payments are made on or before the 4th of the month following the delivery period to producers for milk delivered during the first 15 days of the delivery period at not less than the uniform price for the preceding month.

# Special Handler Provisions:

A handler subject to another Federal order who disposes of Class I and Class II milk in the marketing area is not subject to this order although the market administrator may require such handler to make reports. Unpaid obligations to the pool bear interest at the rate of one-half of one per cent per month.



### Muskogee, Oklahoma

### Marketing Area:

Cities of Muskogoe, McAlester, and Tahlequah, Oklahoma.

# Handler:

A person who operates an approved plant, one approved by health authorities in the marketing area, and from which Class I milk is disposed of in the marketing area (i.e., city plant) or a plant which ships milk to such a plant (i.e., country plant). A cooperative association is a handler with respect to producer milk which it causes to be diverted from an approved plant to an unapproved plant.

# Producer:

Person who produces milk under farm inspection permit and whose milk is delivered to an approved plant or diverted from such plant.

# Classification:

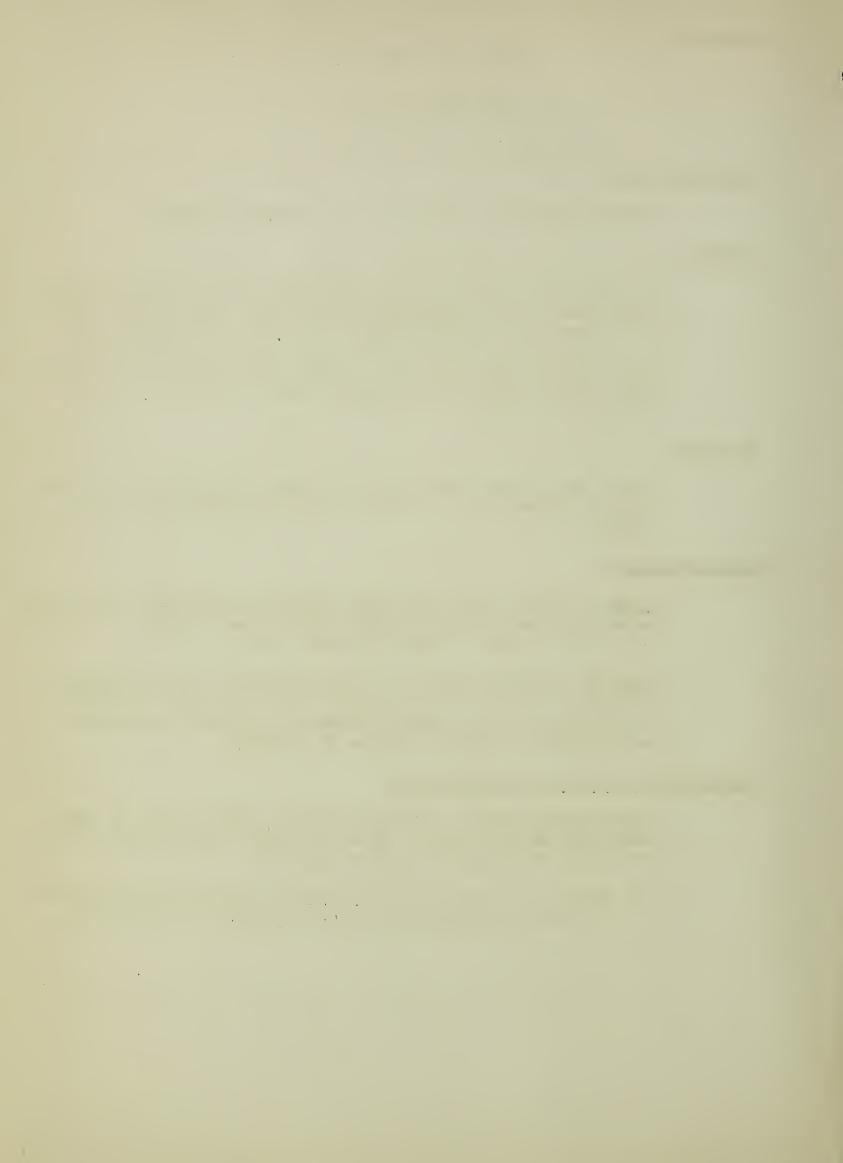
Class I - Fluid milk, skim milk, buttermilk, flavored milk drinks, cream, cultured sour cream, any other product required to be made from Grade A milk, and unaccounted-for milk.

Class II - All milk used to produce products other than Class I products, disposed of as livestock feed, shrinkage of milk from producers up to 2 per cent, shrinkage of "other source" milk, and inventory variation of Class I products.

# Class Prices (4.0 per cent butterfat):

Basic Formula Price - A "basic formula" price is used in determining the Class I price. It is the higher of the following for the month preceding the delivery period;

(1) Prices paid for 3.5 per cent milk at 18 Midwest condenseries (see Chicago summary for list), adjusted to 4.0 per cent.



- (2) Price per pound of Chicago 92-score butter, less 3 cents, multiply by 1,2, and multiply by 4, plus the price per pound of nonfat dry milk solids (spray and roller process, human consumption, f.o.b. manufacturing plants in the Chicago area) less 5.5 cents, multiply by 8.5, multiply by 0.96.
- (3) The Class II price.

Class I - The "basic formula" price plus \$1.45 for the months of April, May, and June, and plus \$1.85 for all other months. (The price for September, October, November, and December shall not be less than that for the preceding month and the price for April, May, and June shall not be more than that for the preceding month.)

Class II - Average price paid for milk of 4.0 per cent butterfat content received from farmers at the following places:

#### Present Operator

American Foods Company, Hawk Dairies Muskogee Dairy Products Co., Pet Hilk Company,

#### Location

Miami, Oklahoma Tulsa, Oklahoma Muskogee, Oklahoma Siloan Springs, Arkansas

# Butterfat Differentials:

Class I - Price per pound of 92-score butter at Chicago for the preceding month times 1.25, divided by 10.

<u>Class II</u> - Price per pound of 92-score butter at Chicago for the current month times 1.15, divided by 10.

<u>Producer Price</u> - Price per pound of 92-score butter at Chicago for the current month times 1,2, divided by 10.

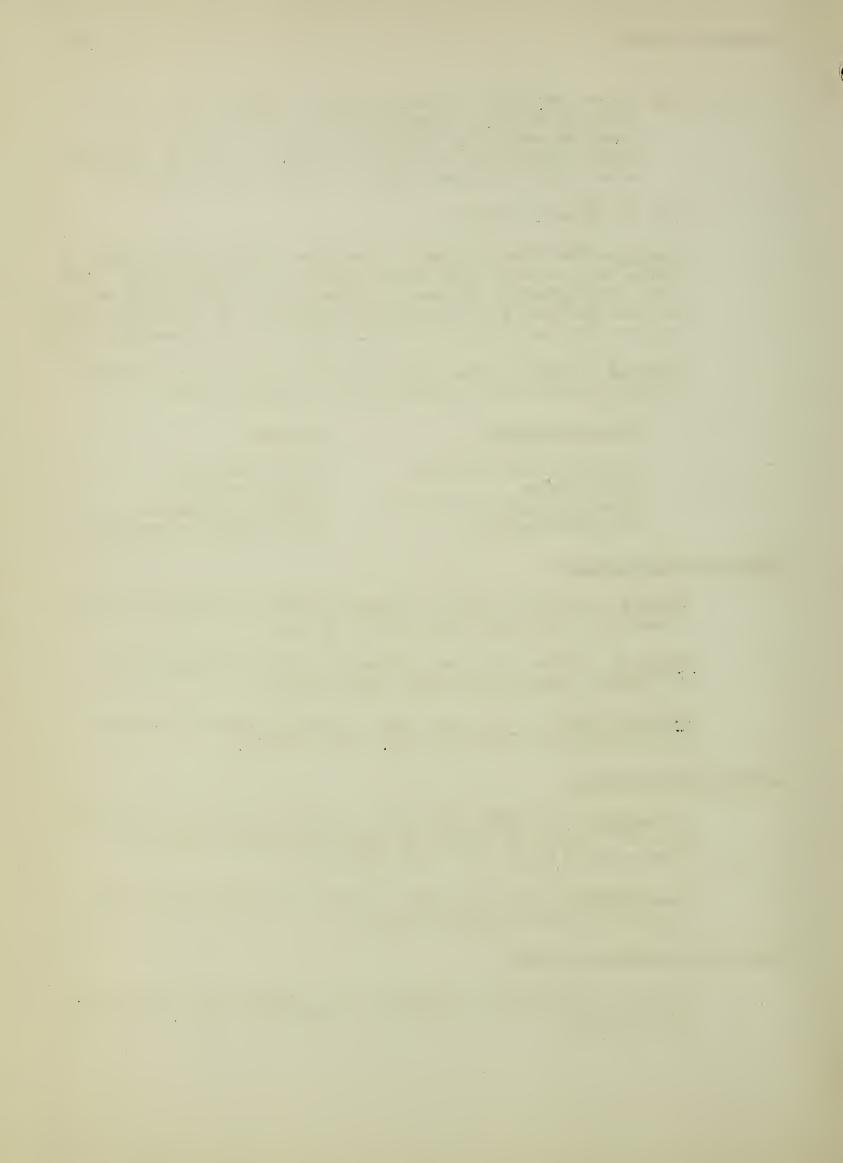
# Location Differentials:

To handlers On milk, skim milk, or cream moved to the marketing area the handler is allowed 21 cents per hundredweight from Poteau and 23 cents from Miami, Oklahoma.

To producers - The above rates apply to all milk received from producers at the specified plants,

# Method of Accounting for Milk:

Weights of skim milk and butterfat are accounted for separately. Upon completion of classification the butterfat test of each class is determined.



#### Type of Pool:

Market-wide, monthly pool with base rating. No new producer clause.

#### Interhandler Transfers:

Skim milk or butterfat transferred or diverted in the form of milk, skim milk, or cream from an approved plant is classified as Class I if (1) transferred to a producer-handler, or (2) transferred or diverted to the approved plant of another handler unless Class II utilization is indicated in writing by both handlers and, in such event, if either or both handlers have "other source" milk the transfer must be classified to give producer milk the highest valued classification.

#### Outside Purchases:

Deducted in series beginning with Class II.

#### Outside Sales:

Milk sold outside the marketing area is priced the same as milk sold in the marketing area. Skim milk or butterfat transferred or diverted to an unapproved plant is Class I if moved as fluid milk, skim milk, or cream, and the unapproved plant is more than 185 miles from the approved plant, or if the unapproved plant is less than 185 miles, unless Class II utilization is proved to the satisfaction of the market administrator. Gream transferred to an unapproved plant more than 185 miles distant is Class I if certified Grade A but is Class II if transferred without Grade A certification.

### Producer-handler:

Handlers who distribute only milk of their own production are exempt from regulatory provisions. Reports may be required by the market administrator.

# Expense of Administration:

Handlers are assessed not to exceed 4 cents per hundredweight on milk received from producers, including the handler's own production, and on "other source" milk which is classified as Class I.



#### Special Producer Provisions:

Deductions for marketing services, as authorized by members, are turned over to cooperative associations. A marketing service charge of not to exceed 5 cents per hundredweight is deducted for non-members.

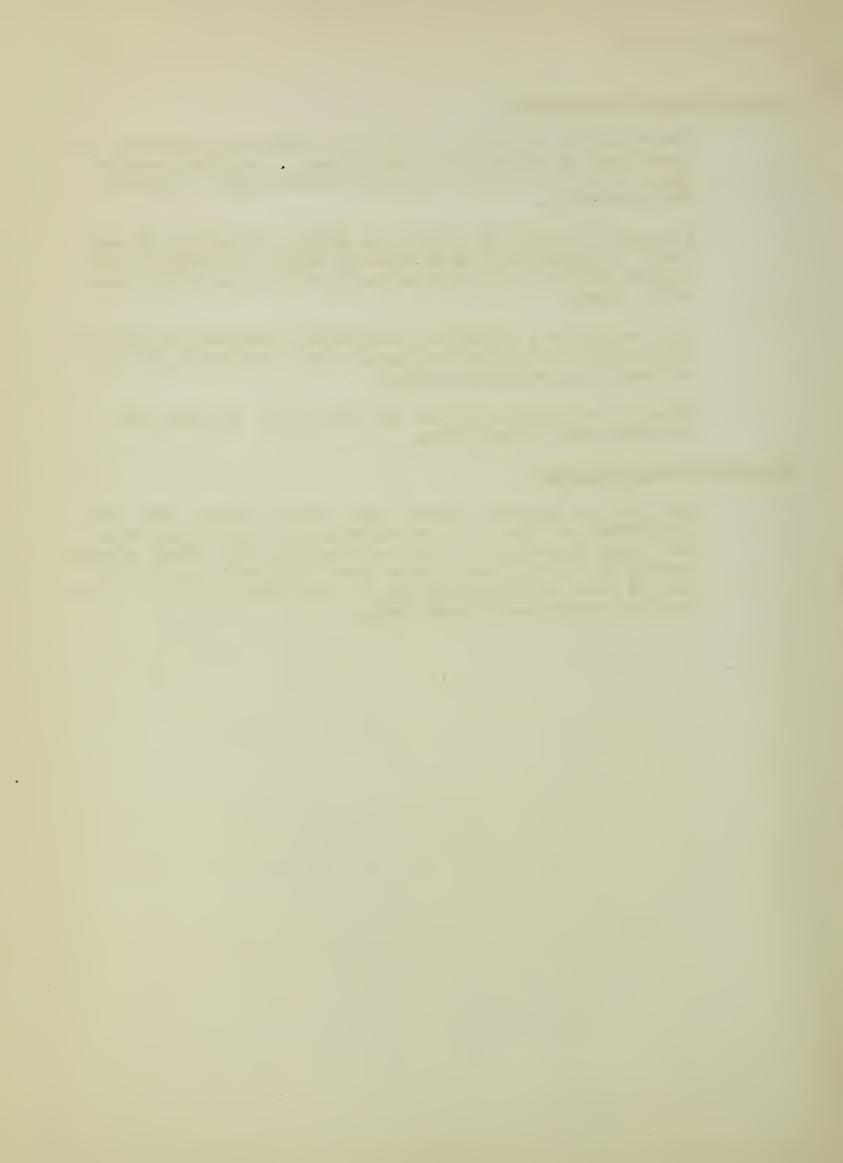
Payments on account are made on or before the last day of each month to producers for milk delivered during the first 15 days of each month at not less than the Class II price for the preceding month.

Upon request by a cooperative association, handlers are required to make partial and final payments to the association for milk delivered by association members.

Bases are established October through January and apply the following April through June.

### Special Handler Provisions:

Skim milk and butterfat priced under another Federal order and distributed as Class I in the marketing area is not subject to this order except that it must be reported to the market administrator, and if the Class I price under this order exceeds the Class I price under the other order, the difference must be paid into the producer-settlement fund.



#### FEDERAL MILK ORDER NO. 75

### Cleveland, Ohio

### Marketing Area:

Cuyahoga County, the township of Willoughby in Lake County, and the townships of Liverpool, Brunswick, Hinckley, York, Granger, Medina, Lafayette, and Montville in Medina County, Ohio.

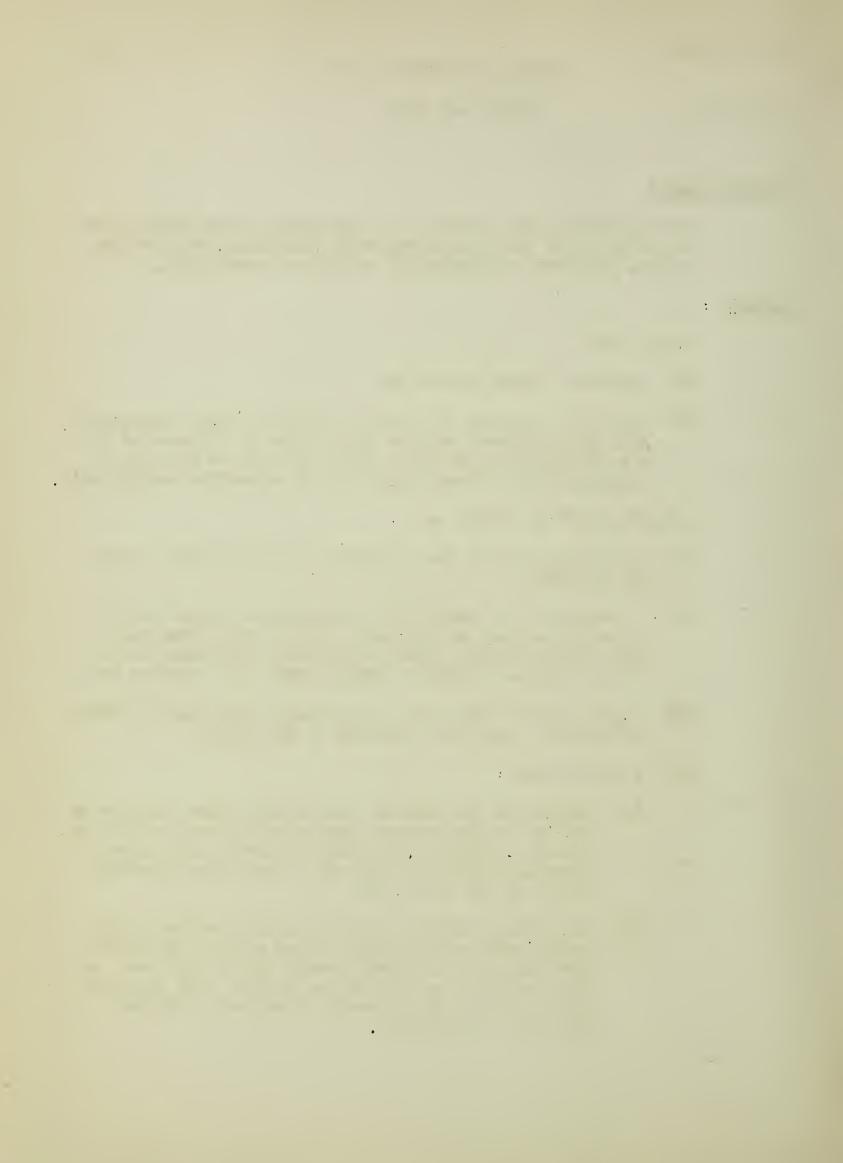
### Handler:

#### Person who:

- (1) Operates a "pool plant"; or
- (2) Operates a nonpool plant out of which (a) Milk, buttermilk, skim milk, flavored milk or milk drinks is disposed of on a route extending into the marketing area, or (b) Milk is disposed of to a "pool plant" (under prescribed conditions).

### A "pool plant" is defined as :

- (1) A bottling plant in the marketing area from which a route is operated;
- (2) A bottling plant outside the marketing area from which at least 10 per cent of its route sales of milk, skim milk, buttermilk, flavored milk and flavored milk drinks are on routes operated wholly or partly within the marketing area;
- (3) A plant which either was a pool plant on December 31, 1950, or becomes a pool plant pursuant to (4) below;
- (4) A plant which:
  - (a) Delivers 50 per cent or more of its entire receipts of milk from dairy farmers during the delivery periods of January, February, or March, and during each of the 5 preceding delivery periods to a pool plant described in (1) or (2) above, and
  - (b) Thereafter delivers to a pool plant described in (1) or (2) above not less than 10 per cent of its dairy farm supply in all months except April, May, June, or July, and not less than 50 per cent of such supply in at least three of the months of October, November, December, and January.



#### Producer:

Person who, under approval of health authority of any community in the marketing area, produces milk which is received at:

- (1) A pool plant out of which a route is operated in such community or which supplies milk to another pool plant out of which a route is operated in such community (but not including milk diverted from a nonpool plant for the account of such plant);
- (2) A nonpool plant during April, May, June, or July, for the account of a pool plant;
- (3) A pool plant for the account of another pool plant.

### Classification:

Class I - Fluid milk, skim milk, butternilk, flavored milk, flavored milk drinks, eggnog, cream (sweet or seur), concentrated milk for fluid consumption, milk products not in Class II or Class III, and shrinkage in excess of that allocated to Class III.

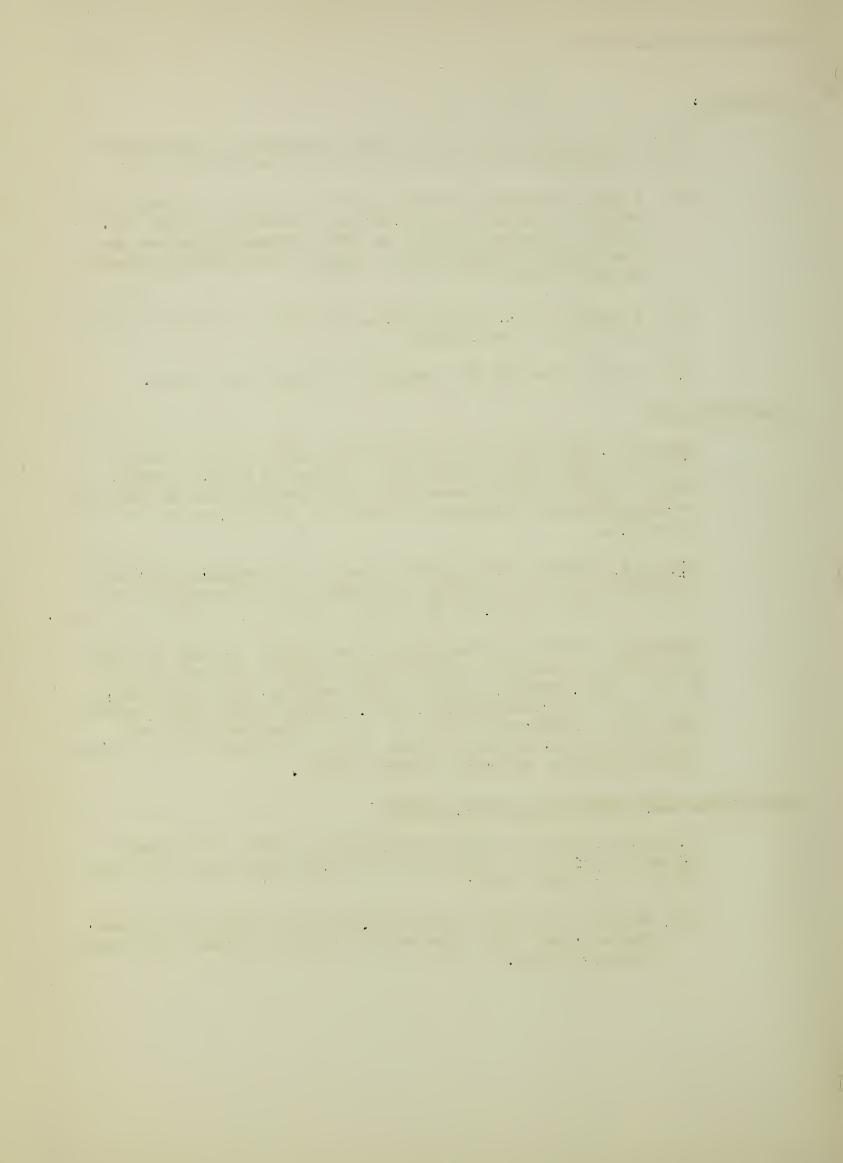
Class II - Frozen cream, milk products not specified in Class I or Class III and containing 8 per cent or more butterfat, ice cream, ice cream mix, ice cream type products, and cottage cheese.

Class III - Butter, butter oil, cheese (except cottage cheese, evaporated or condensed milk either in bulk or in hermatically sealed cans, casein, nonfat dry milk solids, dry whole milk, condensed or dry buttermilk, whey, powdered malted milk, lactose, skim milk or buttermilk disposed of for livestock feed, and shrinkage not in excess of 2 per cent of producer receipts (plus actual shrinkage of "other source" milk).

# Class Prices (for butterfat and skin milk):

A "basic formula" is used for the Class I price. The "basic formula" price is the highest of the following prices determined for the preceding month:

(1) Average of prices paid for 3.5 per cent milk at 18 specified plants. (See list used for "basic formula" price under Chicago order.)



- (2) Price per pound of Chicago 92-score butter, times 6, PLUS

  2.4 times the average price per pound of "Cheddars" at Plymouth, Wisconsin, divided by 7; times 1.3, times 3.5.
- (3) Price per pound of Chicago 92-score butter, minus 3 cents, times 1.2, times 3.5,
  Plus an amount computed as follows: Price per pound of nonfat dry milk selids (carlots, human consumption, spray and relier process, f.o.b. manufacturing plants in Chicago area), minus 5.5 cents, times 8.5, times .965.

Class I - The prices per hundredweight of butterfat and skim milk in Class I are computed as follows:

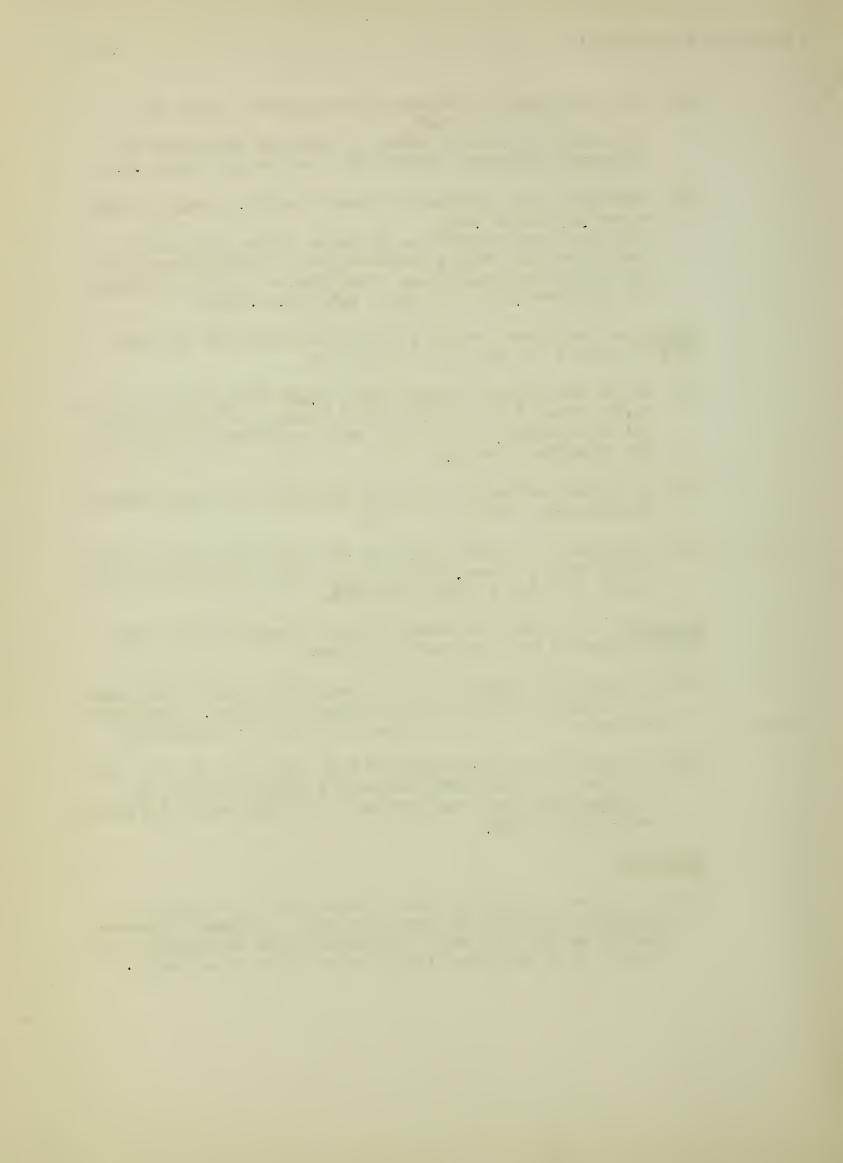
- (1) Add to the "basic formula" price \$0.85 during May and June, \$1.50 during September through February, and \$1.10 during all other months. (For fluid cream subtract 45 cents from the specified amounts.)
- (2) The price per hundredweight of butterfat is the sum obtained in (1) above, multiplied by 20.
- (3) The price per hundredweight of skin milk is the sum obtained in (1) above, minus .035 times the price of butterfat pursuant to (2) above, divided by .965.

<u>Class II</u> - The prices per hundredweight of butterfat and skin milk in Class II are computed as follows:

- (1) The price per hundredweight of butterfat shall be 125 times the price per pound of Chicago 92-score butter. (Butterfat for ice cream is at the Class III price for butterfat.)
- (2) The price per hundredweight of skim milk shall be the price per pound of nonfat dry milk solids (spray process, in barrels, for human consumption, in Chicago) minus 5.5 cents, multiplied by 8.5.

### Class III -

(1) The price per hundredweight of butterfat is computed as follows: Multiply the price per pound of Chicago 92-score butter by 120 (the price per hundredweight of butterfat in butter or in shrinkage is the above price minus \$5.00).



(2) The price per hundredweight for skim milk is the price per pound of nonfat dry milk solids (roller process, in barrels, for human consumption, f.o.b. manufacturing plants in Chicago area) minus 5.5 cents, multiplied by 8.5.

Skim milk used in evaporated or condensed milk in hermetically sealed cans is determined as follows:

From the price at 18 specified plants (see "basic formula"):

- (a) Subtract 8 cents and then subtract an amount computed as follows: Multiply by 0.035 the price of butterfat for Class III milk (other than that used for butter), and
- (b) Divide the result obtained in (a) by 0.965.

A special prevision results in the pricing of Class I and Class II items at the highest of the Class III prices when such items are disposed of during April, May, June, or July to a manufacturer of soup, candy, or bakery products for use in such manufacturing operations.

### Butterfat Differentials:

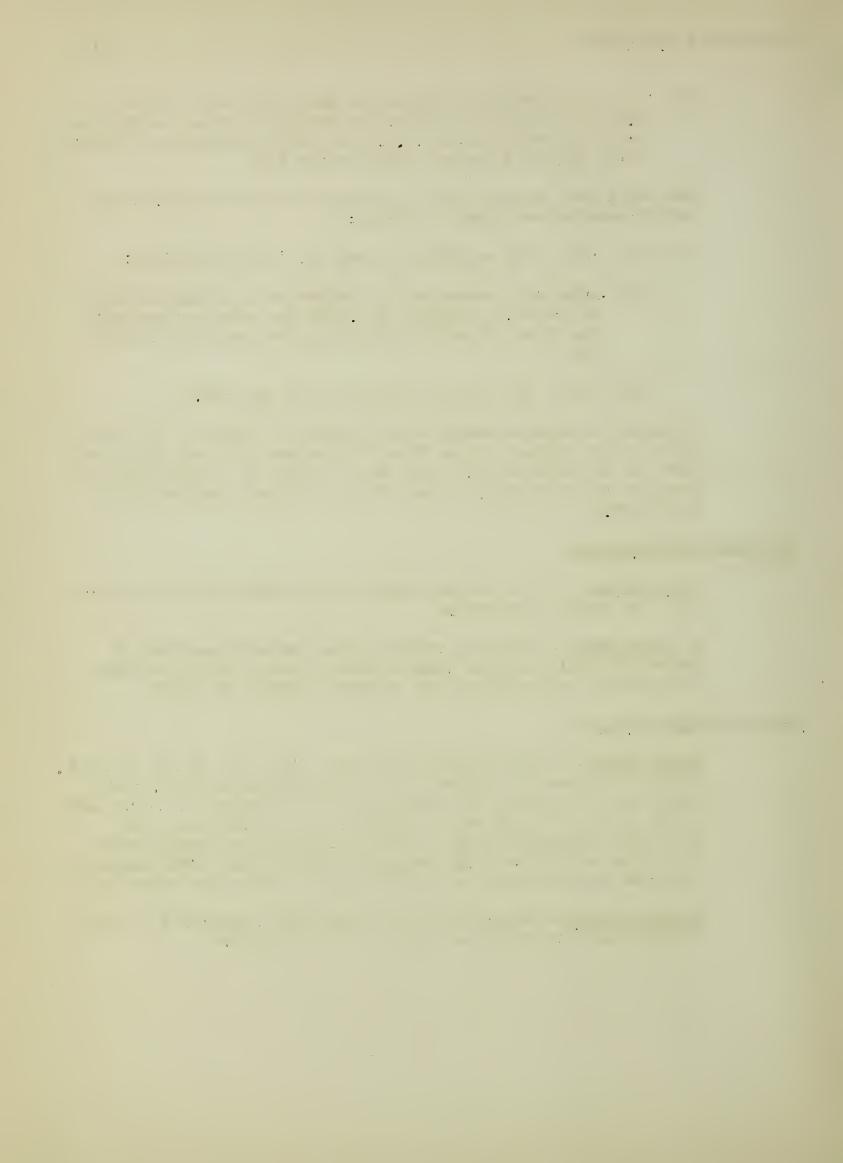
<u>Class Prices</u> - None, because butterfat and skim milk are classified and priced separately.

<u>Producer Price</u> - Weighted average price per hundredweight of butterfat in all classes minus weighted average price per hundredweight of skim milk in all classes, divided by 1,000.

# Location Differentials:

Class Prices - With respect to producer milk moved in the form of Class I or Class II products to the marketing area from a pool plant located outside the marketing area or disposed of from such plant as Class I or Class II outside the marketing area, the following deductions shall be made: 15 cents per hundredweight at plants in the 60-75 mile zone, 17 cents in the 75-90 mile zone, and plus an additional one cent for each 15 mile zone thereafter.

<u>Producer Price</u> - Deductions on producer milk delivered to plants outside the marketing area may be made as follows:



Mile Zone	Maximum <u>Doduction</u>
30 to 60 60 to 75 75 to 90 Beyond 90	13 15 17 1 cent additional for each 15 miles

In computing handlers' pool obligations, producer payments for milk delivered to plants in the marketing area or within 60 miles are credited at the f.o.b. plant price; in all other zones at such price less the maximum deduction allowed.

### Method of Accounting for Milk:

Weights of skim milk and butterfat are computed separately as utilized in the products of each class.

#### Type of Pool:

Market-wide, monthly pool, without base rating plan or new producer clause.

#### Interhandler Transfers:

Milk disposed of by a handler to another handler in the form of milk or other Class I products is classified in Class I and if transferred in the form of cream it is classified as Class II unless a statement as to other utilization is made by both the buyer (not a producer-handler) and the seller.

If "other source" milk is involved, classification of pool milk between plants is made in such a way as to give the highest classification to pool milk.

# Outside Purchases:

Handlers other than producer-handlers, who operate a nonpool plant out of which a route is operated which extends into the marketing area, must pay the difference between the Class I prices for skim milk and butterfat disposed of in Class I products on such route and the higher of the Class III prices for skim milk and butterfat.

Under specified conditions, a handler receiving milk, skim milk, butterfat, flavored milk, or flavored milk drinks from a nonpool plant, must pay the difference between the respective prices for Class I and Class III skim milk and butterfat.

. • . . . . 3 . . . . . . . .

Milk received at a plant subject to the pricing and payment provisions of another Federal order is exempt from the pricing and payment provisions of the Cleveland order.

During October, November, December, and January, if receipts of milk from producers are less than 110 per cent of Class I sales, "other source" milk is subtracted pro rata from all classes.

### Outside Sales:

Class I items transferred to a producer-dealer or transferred to a nonpool plant more than 265 miles from Cleveland, is classified as Class I.

Milk transferred less than 265 miles to a nonpool plant is classified in Class I and cream transferred less than 265 miles is classified as Class II unless other utilization is indicated in a written statement signed by both buyer and seller, subject to verification.

Milk sold outside the marketing area is priced the same as milk sold in the marketing area.

#### Froducer-handler:

Handlers who distribute only milk of their own production are exempt from regulatory provisions. Reports may be required by the market administrator.

# Expense of Administration:

Handlers pay administrative costs not to exceed 3 cents per hundredweight. Payment is not made on milk subject to another Federal order.

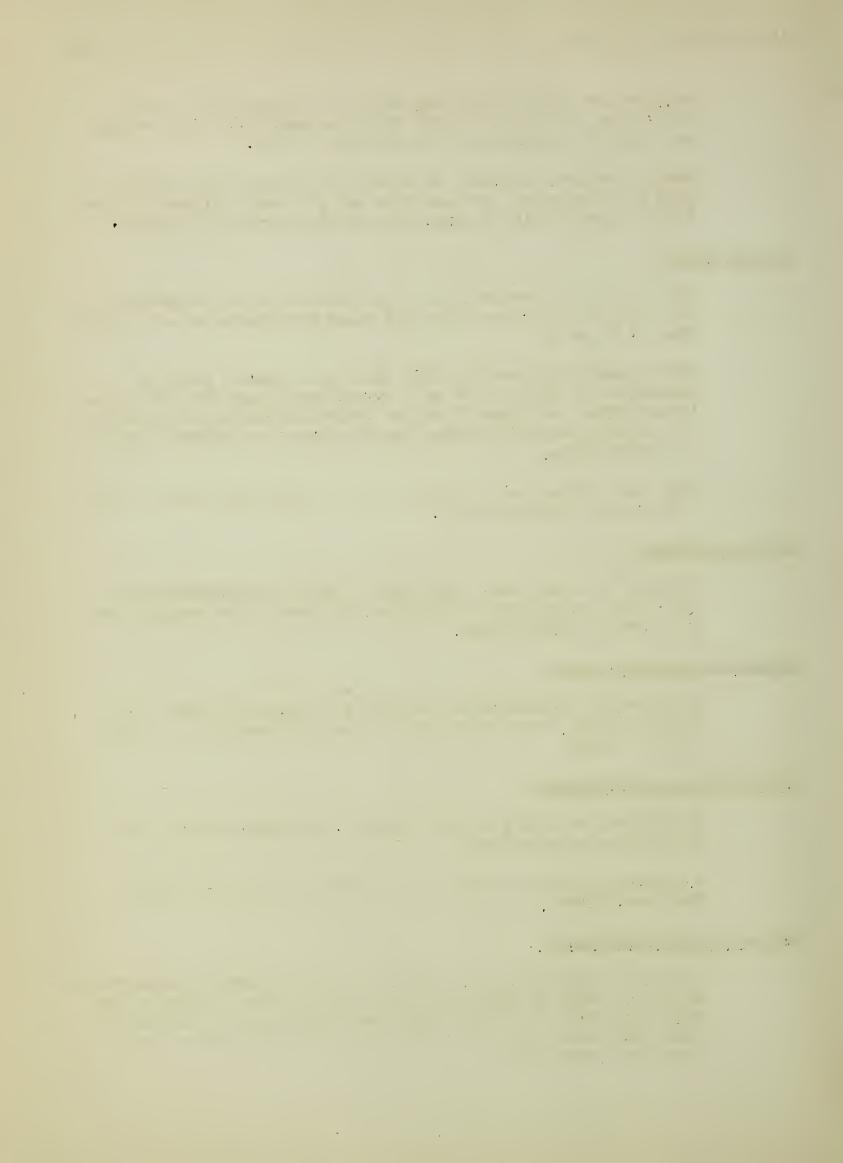
# Special Producer Provisions:

Deductions, as authorized by members, are turned over to the cooperative associations.

A marketing service charge not to exceed 4 cents is deducted for non-members.

# Special Handler Provisions:

Any unpaid obligation of a handler or of the market administrator under the order is increased by one-half of one per cent on the first day of the calendar month next following the due date of such obligation, and on the first day of each calendar month thereafter until paid.



### Rockford-Freeport, Illinois

#### Marketing Area:

Cities of Rockford and Freeport and the townships of Burritt, Cherry Valley, Harlem, Owen, Rockford, and Winnebago, in Winnebago County, and Florence, Harlem, Lancaster, and Silver Creek, in Stephenson County, Illinois.

### Handler:

- (1) The operator of a plant from which a route is operated within the marketing area; and
- (2) A cooperative association with respect to milk of producers which is diverted from an approved plant to an unapproved plant from which no route is operated within the marketing area.

### Producer:

"Grade A Producer" - Person (except a producer-handler) who delivers approved milk (milk under inspection of health authorities of any of the municipalities of the marketing area or of the State of Illinois) which is received at an approved plant or is diverted from such a plant to an unapproved plant by a cooperative association.

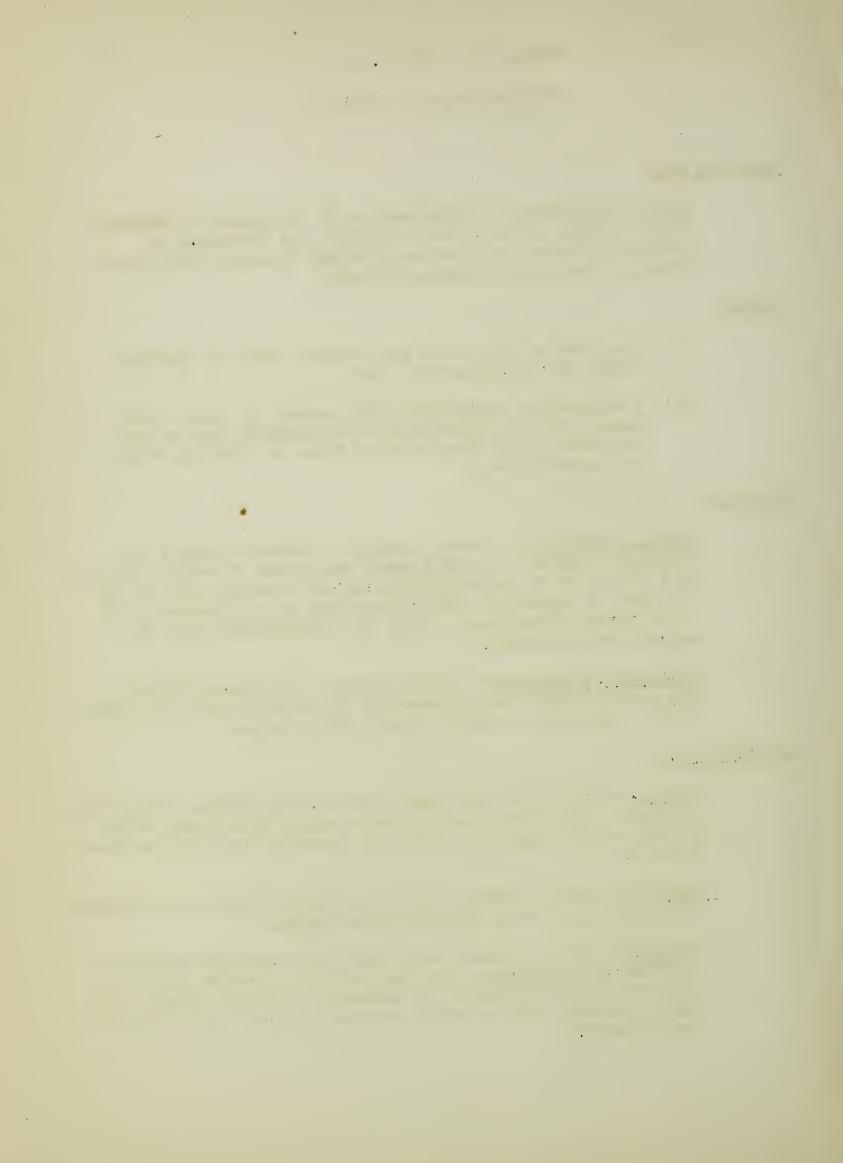
"Non-Grade A Producer" - Person (except a producer-handler)
who produces milk which is received at an unapproved plant from
which a route is operated in the marketing area.

# Classification:

Class I - Fluid milk, skim milk, butternilk, flavored milk; fluid or frozen concentrated milk, flavored milk, and flavored milk drinks not sterilized; and milk not accounted for in Class II or Class III.

Class II - Cream, mixtures of cream, milk or skim milk containing more than 6.0 per cent butterfat, and eggnog.

Class III - Milk products other than those specified in Class I and Class II, inventory variation, and milk products dumped or disposed of for livestock, and shrinkage in "other source" milk and in producer milk but not in excess of 2 per cent of receipts from producers.



### Class Prices (3.5 per cent butterfat):

A "basic formula" is used to determine the prices for Class I and Class II milk. The "basic formula" price is the higher of:

- (1) Average of prices paid for 3.5 per cent milk at 18 specified plants (see list used for "basic formula" price in Chicago order),
- (2) Price per pound of Chicago 92-score butter, times 6, plus 2.4 times the price per pound of Plymouth "Cheddars," divide by 7, multiply by 1.3, multiply by 3.5,
- (3) Price per pound of Chicago 93-score butter (if 93-score butter is not quoted for a day, use highest of prices for 92-score) times 4.24, plus 8.2 times price per pound of nonfat dry milk solids (spray process, human consumption, f.o.b. manufacturing plants in the Chicago area), minus 75.2 cents.

<u>Supply-Demand Adjustment</u> - The adjustment is computed from sales and receipts in the Chicago market. (See Chicago summary for details.)

#### Class I and Class II prices -

<u>Grade A</u> - "Basic formula" price plus fixed differentials and plus "supply-demand" adjustment as follows:

	Class	Ī		Class	II
		Supply-			: Supply-Demand
Month	Fixed :	Limi		Fixed Differentials	Limits
monding	5 DITIEL GUOIGIT	TTOMET -	-obber-	· Dittererentate	- Trower obber
:	(cents per hu	ındredwei	ight)	(cents per hu	ndredweight)
1.7 <b>T</b>				•	
May-June :	48	48 :	64	30	: 30 : 46
July-Nov;	88	58	118	<b>5</b> 0	: 40 : 80
DecApr.	68	: 48 :	92	<b>4</b> 0	: 30 : 64
	<u> </u>			<u> </u>	\$ \$ <b>_</b>

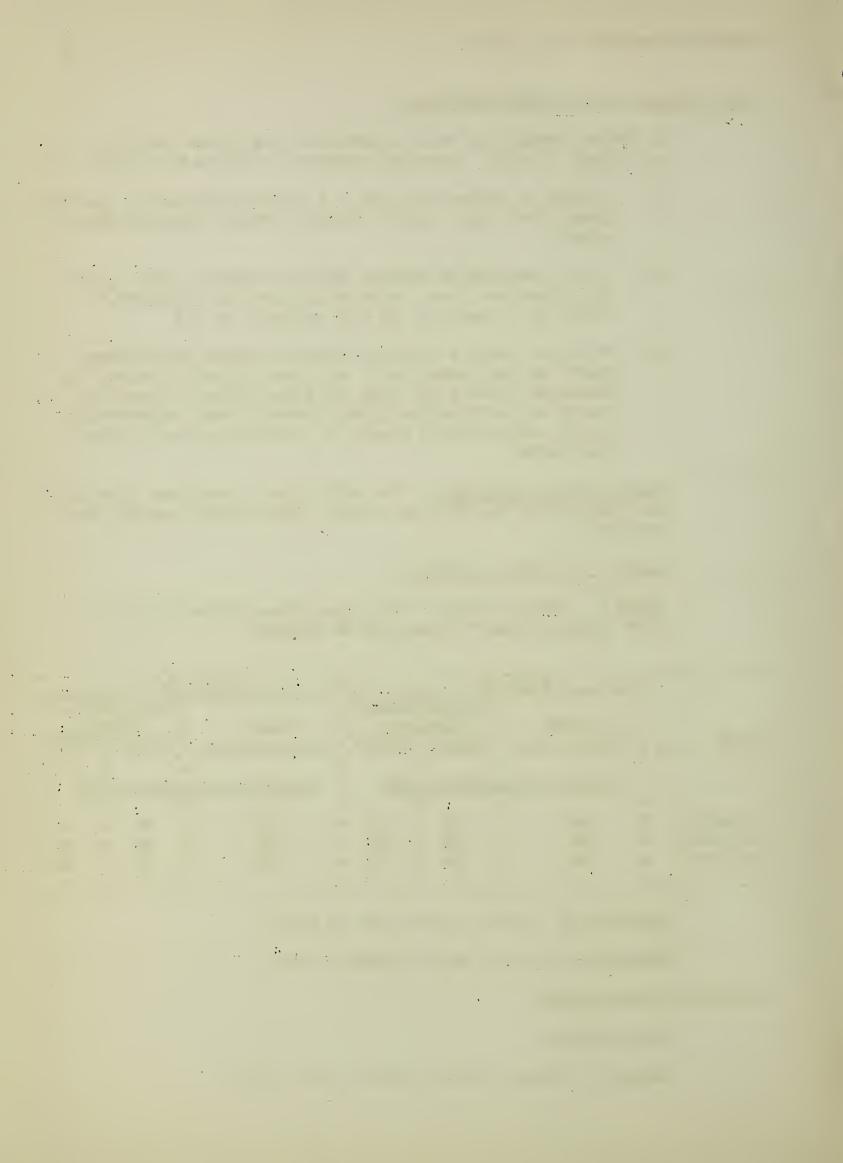
Non-Grade A - Grade A price less 10 cents.

Class III - Same as "basic formula" price.

# Butterfat Differentials:

Class Prices -

Class I - Chicago 92-score butter times 0.13.



Class II - Same as Class I.

Class III - Chicago 92-score butter times 0.12.

Producer Price - Same as Class III.

#### Location Differentials:

None.

#### Method of Accounting for Milk:

Weights of butterfat and skim milk are computed separately as used in each class. If a handler accounts for the disposition of more milk than is accounted for as received from producers (after making deductions from other handlers, etc.) the value of this additional milk is included in the handler's uniform price.

#### Type of Pool:

Market-wide, monthly pool without base rating plan or new producer clause. Scparate pools are established for Grade A and non-Grade A milk.

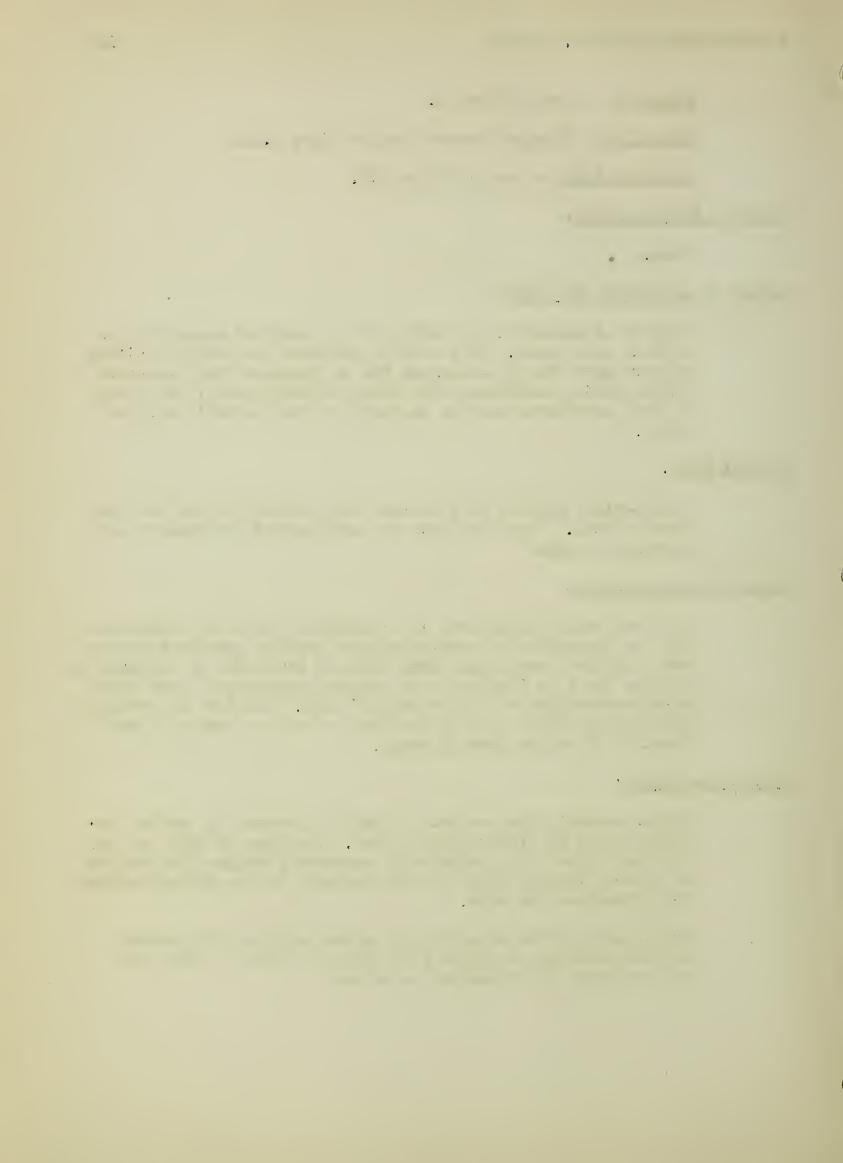
### Interhandler Transfers:

Milk and cream transferred to a regulated plant of another handler is classified in accordance with written agreement between both handlers except that skim milk and butterfat so assigned to a class shall be limited to the amount remaining in such class after subtraction of "other source" milk. Transfers to producer-handlers are Class I if in the form of milk or skim milk and Class II if in the form of cream.

# Outside Purchases:

"Other source" milk received in bulk is deducted in series beginning with the lowest price class. Receipts of milk, cream, and other fluid milk products in consumer packages when subject to another Federal order are not included in the classification and accounting for milk.

Bulk receipts from other Federal order markets in September through December are Class I if shipped as milk or skim milk and are Class II if shipped as cream.



#### Outside Sales:

Transfers to non-handlers are classified as Class I if in the form of milk or skim milk and Class II if in the form of cream, except that such transfers may be classified in accordance with a written agreement, subject to verification.

Transfers to unapproved plants more than 100 miles from the narketing area are classified as Class I if in the form of milk or skim milk, and as Class II if in the form of cream.

#### Producer-handler:

Person who produces milk and operates a route in the marketing area but who receives no milk from producers is exempt from the regulatory provisions. Reports may be required by the market administrator.

#### Expense of Administration:

Handlers pay administrative costs not to exceed 4 cents per hundredweight.

#### Special Producer Provisions:

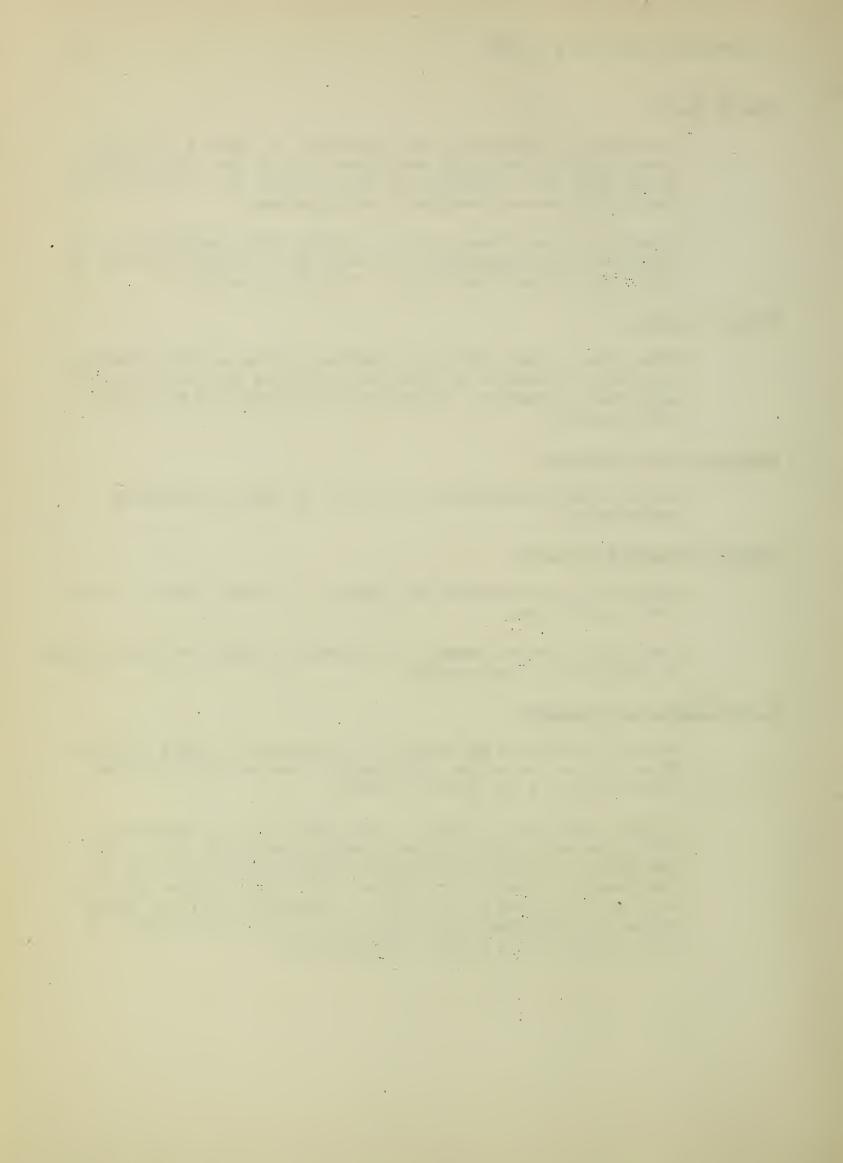
Deductions, as authorized by members, are turned over to cooperative associations.

A marketing service charge not to exceed 5 cents per hundredweight is deducted for non-members.

### Special Handler Provisions:

Overdue obligations of handlers to producers, producer associations, and to the market administrator accrue interest at the rate of 1/2 of 1 per cent per month.

Handlers subject to another Federal order are not subject to this order except that if the Secretary determines that a handler under the order regulating the Chicago marketing area is distributing a greater proportion of his milk in this marketing area, he is subject to this order. Handlers subject to other orders and distributing in this marketing area are required to make reports to the market administrator.



### Class Prices (3.5 per cent butterfat):

"Basic formula" price - A "basic formula" price is used for Class I and Class II. It is the highest of the following, computed for the preceding month:

- (1) Prices paid for 3.5 per cent milk at 18 Midwest condenseries (see Chicago order for list),
- (2) Price per pound of 92-score butter at Chicago times 6, plus 2.4 times the price per pound of "Cheddars" at Plymouth, Wisconsin; divide the sum by 7, multiply by 1.3, multiply by 3.5.
- (3) Price per pound of 93-score butter (if 93-score butter is not quoted for any day, use highest of prices for 92-score) times 4.24, plus 8.2 times price per pound of nonfat dry milk solids (spray process, human consumption, f.o.b. manufacturing plants in the Chicago area) minus 75.2 cents.

<u>Supply-Demand Adjustment</u> - The adjustment is computed from sales and receipts in the Chicago market, (See Chicago summary for details,)

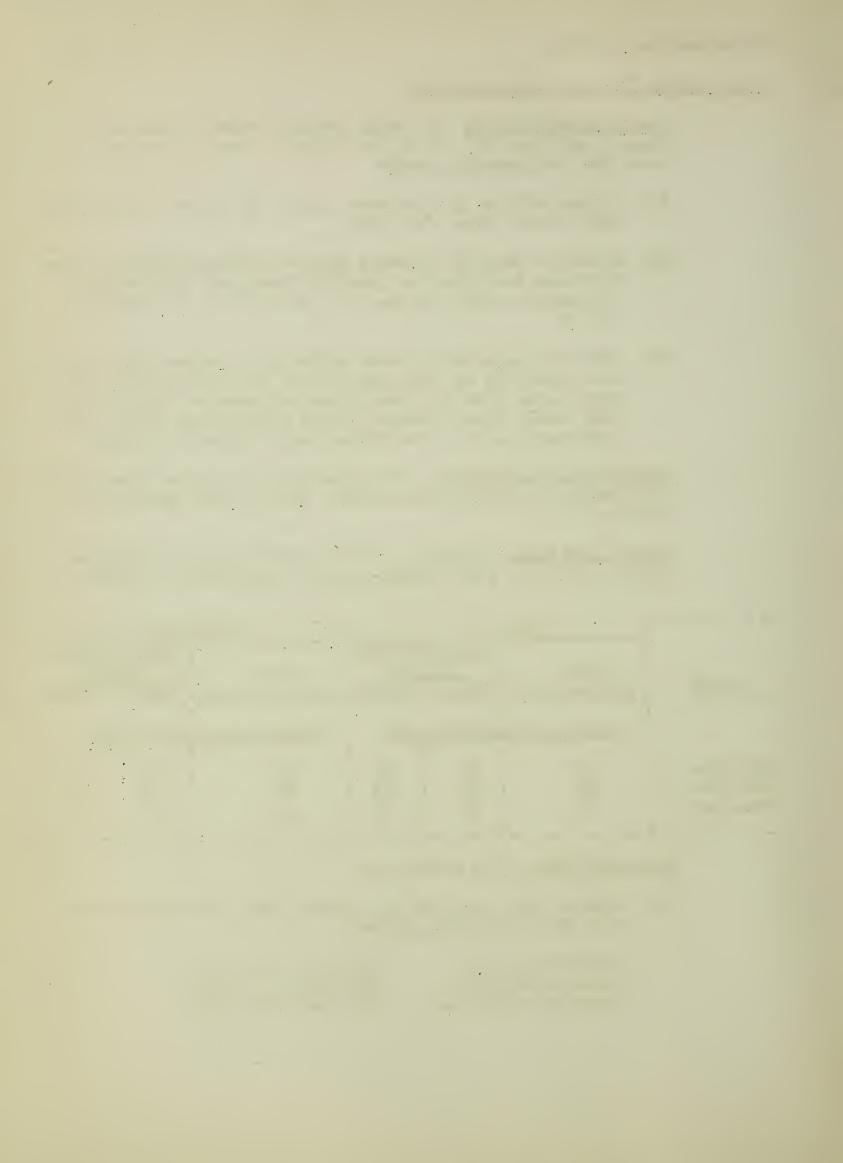
Class I and Class II Prices - "Basic formula" price plus fixed differentials and plus "supply-demand" adjustment as follows:

	Class I			: Class II		
	Fixed	: Supply-Demand : Limits :		Supply-Der : Fixed : Limits		
Month	Differential_	Lower	_Upper_	_Differentials_	Lower	Upper
	(cents per hi	und <b>r</b> edwe	ight)	(cents per hur	dredweig	zht)
Way-June :	46	46	62	30	30	46
July-Nov.	86		: 116	<b>5</b> 0	40	80
DecApr.	66	46	90	40	30	64

# Class III Price - The higher of:

(1) Average price paid for the current month, for 3.5 per cent milk at the following plants:

Kraft Foods, Inc., Hartford, Wisconsin Carnation Company, Oconomowoc, Wisconsin White House Wilk Co., West Bend, Wisconsin

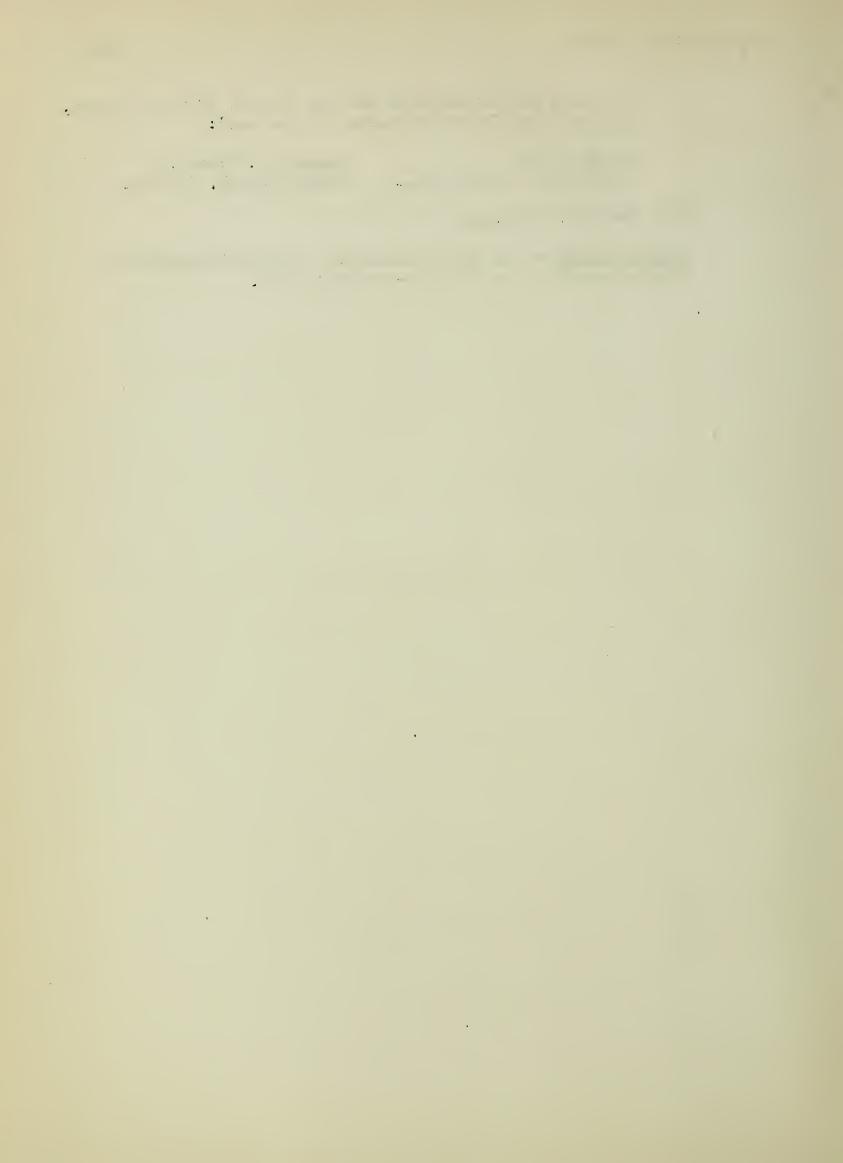


If prices are not reported for one or more of these plants, prices at the following plants are included:

Armour & Co., Stoughton, Wisconsin United Milk Products Co., Johnson Creek, Wisconsin

(2) The Class IV price.

Class IV Price - The third alternative method of computing the "basic formula" price (butter-nonfat solids).



# ST. LOUIS - ORDER NO. 3

Citation	Date Fublished	Action
14 FR 4775 15 FR 1827 15 FR 9427	7/30/49 3/31/50 12/30/50	Order, as amended Amendment No. 4 Amendment No. 5
	BOSTON - OR	DER NO. 4
12 FR 4921 12 FR 6426 12 FR 8667 13 FR 1639 13 FR 9293 14 FR 2129 14 FR 4746 15 FR 4781 16 FR 3247	7/28/47 9/30/47 12/20/47 3/30/48 12/31/48 4/30/49 7/29/49 7/27/50 4/13/51	Order, as amended Order suspending certain provisions " " " " " Amendment No. 6 Amendment No. 7 Amendment No. 8 Order suspending certain provisions Amendment No. 9 Amendment No. 10
15 FR 1770 16 FR 2782	OKLAHOMA CITY 3/30/50 3/30/51	- ORDER NO. 5 Order Amendment No. 1
	<u>Tuisa - or</u>	DER NO. 6
15 FR 1829 16 FR 2784	3/31/50 3/30/51	Order Amendment No. 1
	MILWAUKEE _	ORDER NO. 7
15 FR 7173 15 FR 9428 16 FR 3691 16 FR 6339	10/26/50 12/30/50 5/1/51 6/30/51	Order Amendment No. 1 Amendment No. 2 Amendment No. 3
	DUBUQUE - CR	DER NO. 12
14 FR 3226	6/15/49	Order, as amended



# OMAHA - ORDER NO. 35

Citatio	<u>on</u>	Date Published	Action
12 FR	9487	3/29/47	Order, as amended
13 FR		12/31/48	Amendment No. 1
14 FR		6/15/49	Amendment No. 2

# CHICAGO - ORDER NO. 41

16 FR 6348 6/30/51 Order, as amended

# NEW ORLEANS - ORDER NO. 42

13 FR	1079	2/28/48	Order, as amend	led	
14 FR	1483	4/1/49 8/31/49	Amendment No. 2	2	
14 FR	5385		Order suspending	ng certain	provisions
•		9/30/49	Amendment No.	3	
16 FR	1899	2/28/51	Order suspending	ng cortain	provisions



# SOUTH BEND-LaPORTE - CRDER NO. 67

Citatio	<u>on</u>	Date Fublished	Action
15 FR 15 FR 16 FR	9432	3/30/50 12/30/50 6/30/51	Order, as amended Amendment No. 1 Amendment No. 2

# WICHITA - ORDER NO. 68

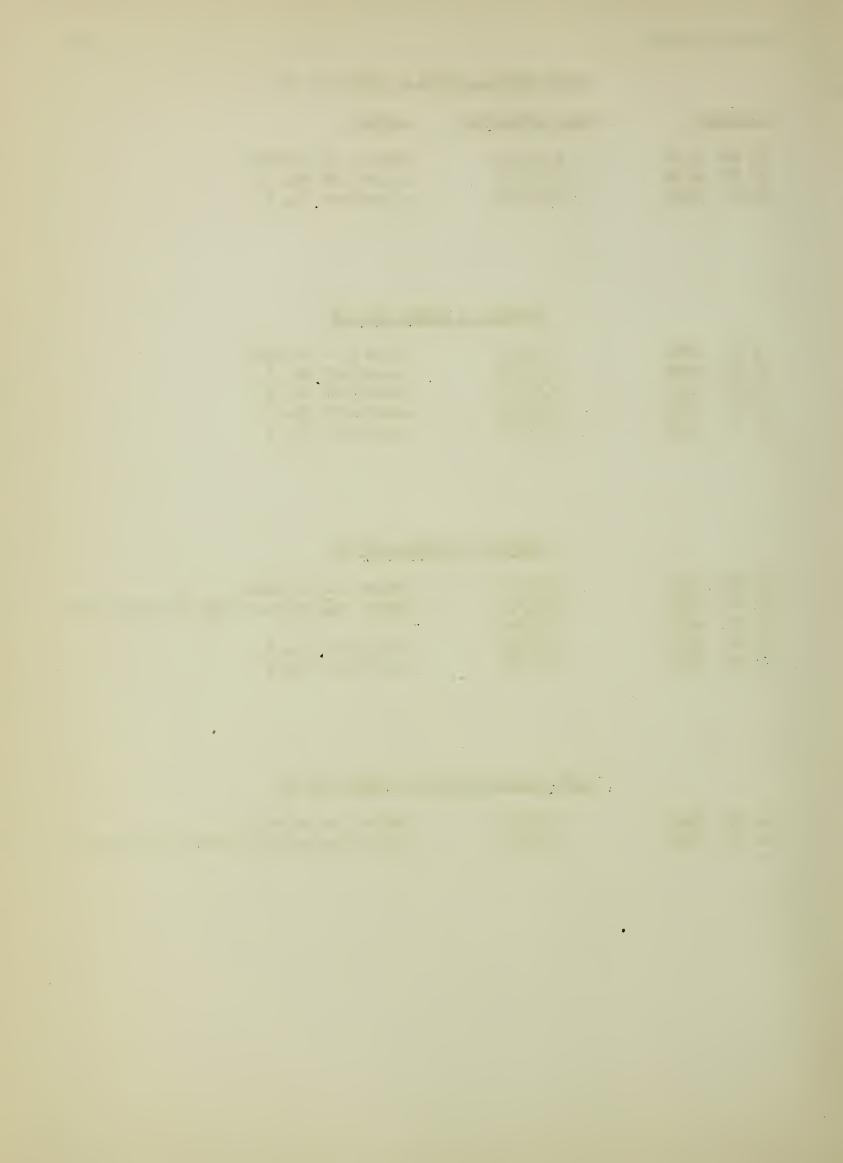
9	FR	5761	5/30/44	Order, as	amended
10	$\mathbb{F}\mathbb{R}$	13587	11/2/45	Amendment	No. 1
12	FR	7105	11/1/47	Amendment	No. 2
13	FR	7703	12/14/48	Amendment	No. 3
16	FR	2786	3/30/51	Amendment	No. 4

# CLINION - ORDER NO. 70

11 FR	2915	3/20/46	Order, as amended
11 FR	6527	6/14/46	Order suspending certain provisions
11 FR	8279	8/1/46	11 11 11 11
12 FR	5037	8/1/46 7/30/47	Amendment No. 1
14 FR	1911		Amendment No. 2

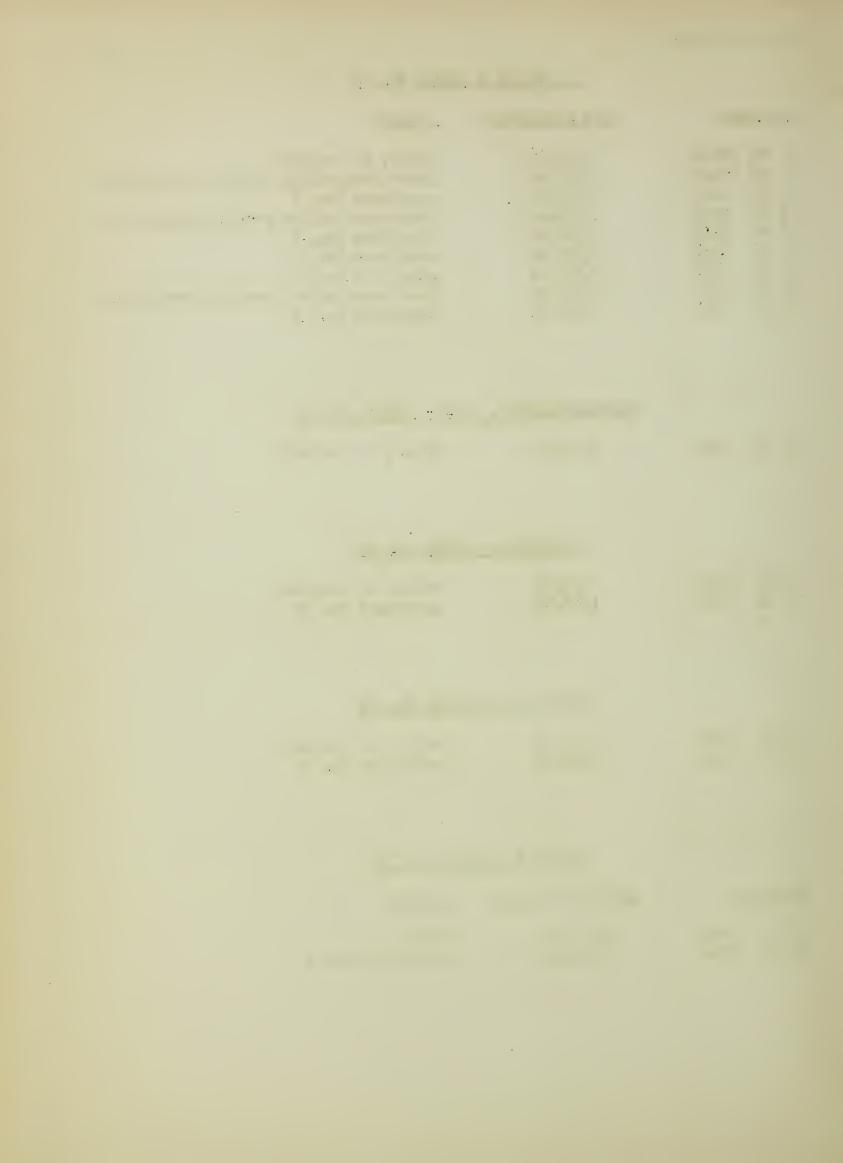
# DAYTON-SPRINGFIELD - ORDER NO. 71

14 FR	3444	6/24/49	Order, as amended
14 FR	4857	6/24/49 8/4/49	Order suspending certain provisions



# TRI-STATE - ORDER NO. 72

Citation	Date Published	Action
11 FR 12926 11 FR 13622 12 FR 4243 13 FR 1662 13 FR 2330 13 FR 7295 14 FR 2783 14 FR 7057 16 FR 881	11/1/46 11/21/46 7/1/47 3/31/48 4/30/48 11/30/48 5/27/49 11/23/49 1/31/51	Order, as amended Order suspending certain provisions Amendment No. 1 Order suspending certain provisions Amendment No. 2 Amendment No. 3 Amendment No. 4 Order suspending certain provisions Amendment No. 5
	MINNEAPOLIS-ST. PAU	JL - ORDER NO. 73
15 FR 5326	8/1 <b>5/5</b> 0	Order, as amended
	COLUMBUS - OF	RDER NO. 74
15 FR 4969 16 FR 796	8/3/50 1/30/51	Order, as amended Amendment No. 5
	<u> Cleveland - Of</u>	RDER NO. 75
15 FR 5878 16 FR 6362	8/31/50 6/30/ <b>51</b>	Order, as amended Amendment No. 5
	<u>PADUCAH - ORI</u>	DER NO. 77
<u>Citation</u>	Date Published	Action
12 FR 8808 14 FR 6594	12/27/4 <b>7</b> 10/29/49	Order Amendment No. 1



### NASHVILLE - ORDER NO. 78

Citati	<u>on</u>	Date Published	Action	
12 FR 13 FR 14 FR 14 FR 16 FR	7320 5526 5388 7756 3643	11/8/47 9/23/48 8/31/49 12/29/49 4/28/ <b>51</b>	Order Amendment M Amendment M Amendment M Amendment M	No. la No. 2

# · TOPEKA - ORDER NO. 80

12 FR 8377 12/13/47 Order 13 FR 7704 12/14/48 Amendment No. 1

### KNOXVILLE - ORDER NO. 88

14 FR	3832	7/13/49	Order
14 FR	7197	11/30/49	Amendment No. 1
15 FR	1782	3/30/50	Amendment No. 2
16 FR	2831	3/31/51	Order suspending certain provisions
16 FR	4680	5/19/51	Amendment No. 3

# ROCKFORD-FREEPORT - ORDER NO. 91

14	FR	4782	7/30/4	.9 Order		
15	FR	4185	6/30/5	Amendment	No.	1
15	FR	9433	12/30/5	Amendment	No.	2
16	FR	6363	6/30/5		No.	3

# LIMA - ORDER NO. 95

14 FR 3515 6/29/49 Order

